

Railway Age

OCTOBER 19, 1940

Founded in 1856

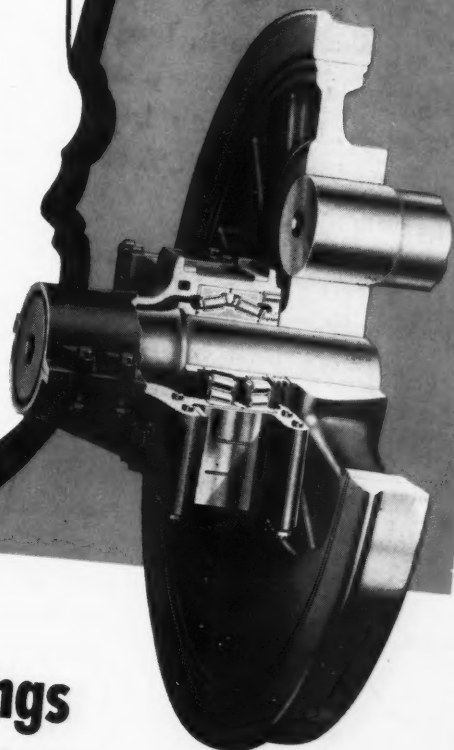
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ON THE MISSOURI PACIFIC 3 locomotives converted to TIMKEN Bearings now do the work formerly requiring 7 friction bearing locomotives

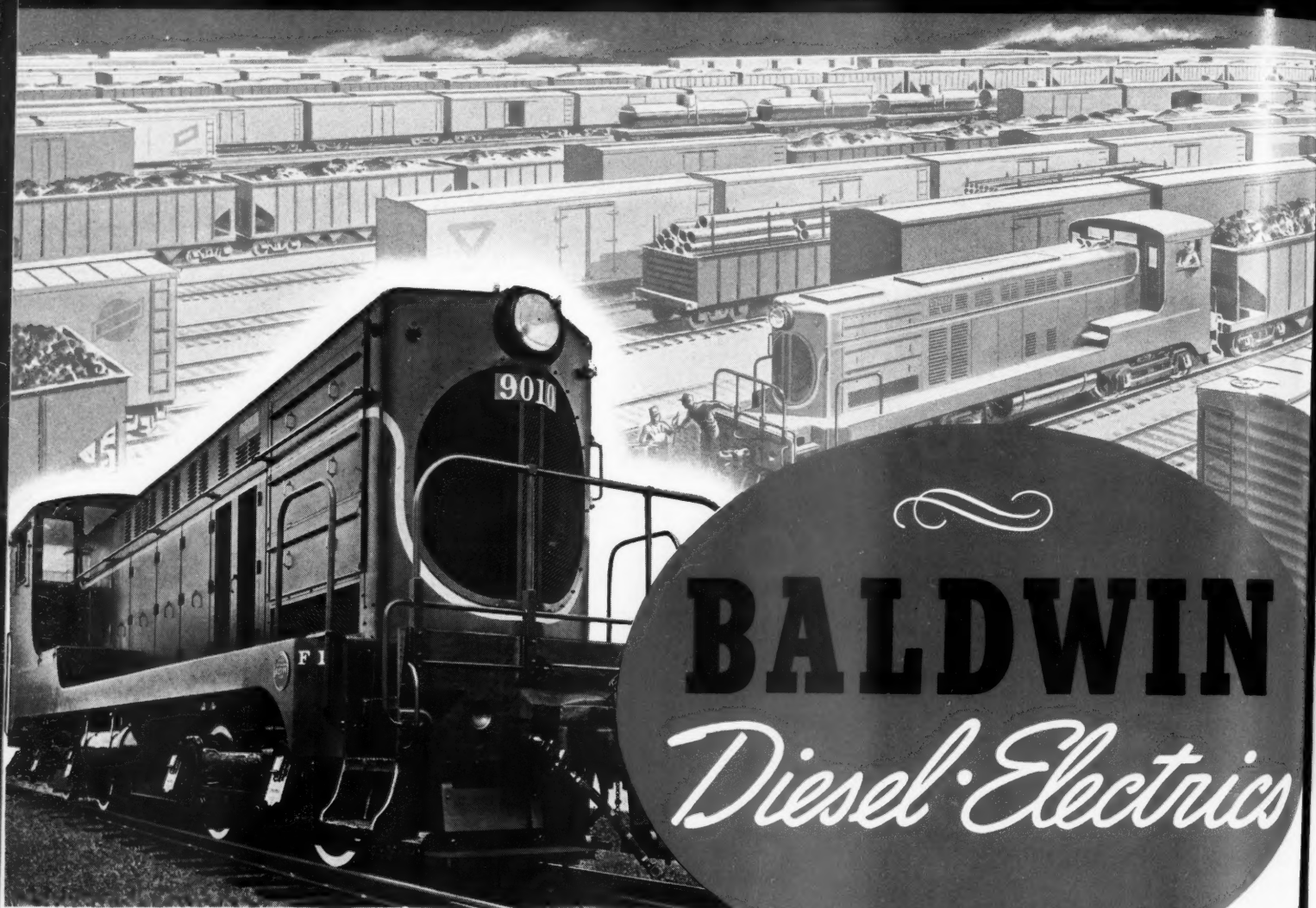
The following is reprinted from the Missouri
Pacific Lines Magazine, February 20, 1940

"Mechanical experts are convinced that application of *roller bearings to Nos. 5321-22-23 has been one of the chief factors behind their phenomenal ability to stay in service day after day, with only relatively brief periods consumed at the end of each run in shops, and are likewise convinced that a statement by roller bearing men to the effect that the rollers cut maintenance costs materially isn't far wrong."

***TIMKEN** Bearings



A PROFITABLE INVESTMENT



BALDWIN
Diesel-Electrics

Switching cars in terminals and yards accounts for a large part of the time consumed in handling freight. It also accounts for about 50% of the total cost of such shipments.

In a busy railroad yard Diesel-Electric locomotives, as compared with steam switchers, will effect a reduction in the average time required to handle cars. The ability of the Diesel-Electric to stay on the job from 90% to 95% of the time, further reduces the number

of locomotives required to do the work.

Results—better service for the shipper and a worthwhile saving in overall cost to the railroad.

Baldwin Diesel-Electric switching locomotives — with De La Vergne 4-cycle Diesel engines and Westinghouse electrical transmission—are manufactured for stock in 660-hp and 1000-hp capacities.



THE BALDWIN LOCOMOTIVE WORKS

Philadelphia

Business Improving, But Is Very Far From Good

The future welfare of the American people imperatively demands that business in this country should be really—not merely apparently—improving much more than it is now, and that it should continue improving rapidly as long as the government continues making large and increasing expenditures for national defense. We say, not “apparently” but “really” improving, because when large expenditures for waste and destruction, the sole purpose and effect of all military expenditures, are being made, business may be apparently improving when actually declining and heading for disaster. The true measure of business and prosperity is the volume of useful things, **exclusive of those for military purposes**, being produced and distributed. People cannot eat gun-powder; clothing for soldiers, unlike that for civilians, is made to be worn in carrying on destruction, not production; and housing built to shelter soldiers yields no profits or taxes but is provided with taxes derived from private profits and property, including civilian housing.

If Business Were Good, Defense Taxes Would Be Less Burdensome

If, therefore,—to use an illustration previously employed in these columns—the annual national income is about 70 billion dollars, and expenditures for defense are to be increased by 5 or 10 billion a year, it will make a very great difference to the people whether simultaneously the annual national income is increased to 75 or 80 billion dollars, or even more, by an increase of production, or is increased less than this or not at all. If it is increased as much or more as the increase in expenditure for military purposes the people's standard of living can be maintained. On the other hand, to whatever extent the net increase in total production falls short of the increase of 5 to 10 billion in expenditures for defense, to that extent the people will be forced to reduce their ordinary expenditures for food, clothing, shelter and other comforts and luxuries.

Facing squarely, then, the fact that the total business of the country must increase rapidly if the government's rapid expansion of its expenditures for defense is not to cause and be accompanied by a reduction in the present standard of living of all classes of the people, it is very important that we should all ask and have answered the question, “How good is business now,

and how rapidly is it improving?” Most persons are being led by most of what they read to believe that most kinds of business are good and rapidly improving, and, therefore, are wondering why the kinds of business in which they are engaged or employed are not good and improving more. Well, the correct answer is that a few kinds of business are very good, but that most kinds of business, and therefore business as a whole, are not as good, and are not improving as much, as is being widely represented—or misrepresented. Among the industries whose business is very good are those producing steel, machine tools, ships and aeroplanes. Their business is so good because of war orders from abroad and defense orders from our own government, principally the former. It is widely assumed that as the defense orders of our government are rapidly increased they will have a very stimulating effect on business in general. We see some government economists quoted as estimating that our expenditures for defense will so stimulate business that the national income will increase to 100 billion dollars from the 67 billion which it was in 1939.

Experience Has Shown That Government Spending Doesn't Create Prosperity

The *Railway Age* does not doubt that the national income could and would be increased to this amount if the increased defense expenditures were accompanied by the adoption of sound government, business and labor economic policies. In fact, the *Railway Age* predicted in an editorial in its issue of July 27 (page 131) that “if Mr. Willkie is elected and this country keeps out of war, the income of the American people during Mr. Willkie's first four years will average not less than 90 billion dollars, and will increase to more than 100 billion.” But it will take a great deal more than an increase of 5 billion, or even 10 billion, in expenditures for armament to increase production by the 30 billion dollars annually required to increase the national income to 100 billion dollars. Our experience during the last seven years—when we have had the most gigantic government spending in all history accompanied by continuance of depression broken only by “recession”—should have taught everybody with the least intelligence that **increase of government spending, unaccompanied by economic policies tending**

to revive all branches of private enterprise, causes production as a whole to increase less, rather than more, than the increase in government spending.

How good, then, has business in the United States been thus far in 1940, and how good is it right now—just before a national election and at the inception of our large expenditures for national defense? Well, one fact the statement of which will surprise and shock most persons is that, contrary to most of what is being said, **business as a whole is worse right now than it was a year ago.** Railroad freight loadings demonstrate this. In the first 38 weeks of 1940 freight loadings averaged 10 per cent larger than in 1939; but in the two weeks ending with October 5 they were less than in 1939, also less than in 1937 when the "recession" was in full swing. The reason for this is that during the last third of last year, immediately following the beginning of war in Europe, business in this country expanded with unprecedented rapidity, while this year since September 1 it has expanded only about seasonally.

Business No Better Now Than in 1936

As has heretofore been shown in these columns (*Railway Age*, August 31, pages 301-304) the total volume of business that has been done and its trend in this country thus far in 1940 have been about the same as in 1936. The *Railway Age's* principal measure of the total volume of business (both production and distribution) always has been railroad freight loadings. The principal measure of government economists has been the Federal Reserve Board's index of industrial production. It is therefore significant that in the first five months of this year both freight loadings and industrial production as reported by the Federal Reserve Board were almost exactly the same as in 1936 and first moved downward and then upward almost exactly together. But the Federal Reserve Board's old index did not show business good enough to suit the New Dealers; and, therefore—like a bad-tempered man who breaks the thermometer because it becomes too hot—they have adopted a new index.

ing loadings in the first 40 weeks of 1936 and 1940 and in the 40th week of each of these years is highly significant. Freight loadings in the first 40 weeks of 1929 were about 41 million cars and in the first 40 weeks of both 1936 and 1940 about 27 million cars—the decline in both 1936 and 1940 as compared with 1929 being 34 per cent and the difference between 1936 and 1940 being only 4/10 of one per cent. The decline of l. c. l. shipments in 1940 as compared with 1936 reflects the continuing loss of high-grade traffic to the trucks, while the increase in shipments of ore reflects the increase of production in the heavy industries caused by military demands, foreign and domestic. Loadings of all other groups of commodities were relatively and absolutely about the same.

Where Would Business Be If the War Should End?

Now, excepting during the immediately preceding five years, business in this country was worse in 1936 than in any year since the depression of the 70's. Since 1936 the country's population has increased about 4 million and its labor force available for employment about 2 million; and according to all experience previous to this depression business should have increased more in proportion than population. Large government spending for public works, relief, etc., has been continued since 1936 and has been supplemented recently by increased spending for defense. Also, the country's industry has received in 1940 huge armament orders from abroad such as it did not receive in 1936 and such as greatly stimulated its business in 1915 and 1916. **Yet, in spite of all the war orders, the total volume of business during the first 40 weeks of 1940, as indicated by the best available measure, was almost the same as in 1936!**

Well, then, how is business right now as compared with what it was in October, 1936? The statistics in the table giving freight loadings by groups of commodities in the 40th week of 1936 and 1940 indicate that business is now being affected more by war buying from the heavy industries than in 1936 or during the preceding part of this year, but that as a whole it

The Country's Business as Measured by Freight Car Loadings in 1936 and 1940

Commodities	Number Cars Loaded First 40 Weeks of				Number Cars Loaded 40th Week ending October 5th			
	1936	Per cent of Total	1940	Per cent of Total	1936	Per cent of Total	1940	Per cent of Total
Grain & Grain Products	1,418,509	5.2	1,434,862	5.3	30,054	3.7	39,387	4.9
Live Stock	544,377	2.0	482,947	1.7	21,911	2.7	19,599	2.4
Coal	5,080,135	18.6	5,171,823	19.0	155,730	19.0	127,693	15.8
Coke	348,072	1.3	402,314	1.5	10,318	1.3	11,721	1.5
Forest Products	1,280,599	4.7	1,339,940	4.9	34,813	4.2	40,728	5.1
Ore	1,322,014	4.8	1,674,322	6.0	60,752	7.4	66,005	8.2
Merchandise-L.c.l.	6,346,875	23.3	5,873,231	21.4	173,097	21.1	159,636	19.8
Miscellaneous	10,931,303	40.1	11,012,374	40.2	333,895	40.6	341,217	42.3
TOTAL	27,271,884	100.0	27,391,813	100.0	820,570	100.0	805,986	100.0

But statistics of railway freight loadings are still, as they always have been, not only the best but the **only** available measure of the production and distribution of all commodities; and, consequently, what is indicated by the statistics given in the accompanying table show-

is still no better than in 1936 and perhaps not quite as good. Could any sane person ask for more evidence that business as a whole has retrograded since 1936 and is still lousy?

What would loadings be now, modest though they

are, if there were no war? Obviously less—probably about what they were at this time in 1938, when they were 100,000 cars a week short of their present total. But war—though it keeps people and industry busy while it lasts—isn't any permanent cause of prosperity. All the money now being, necessarily, whooped off for aeroplanes, and guns, and powder factories, has sooner or later got to come out of the earnings of industry and out of the wages of labor in the form of taxes, or by inflation of the currency.

Except for War, We Would Now Be in a Deep "Recession"

Such "prosperity" compared with the "recession" years 1938 and 1939 as the railroads and their employees are now enjoying, in short, is going to be subtracted from them in the months and years lying ahead, **unless genuine prosperity in productive enterprise is revived in this country before the war impetus to production is removed.** The available evidence indicates that if it were not for war buying from abroad and our own present preparations for war, this country would now be in such a slump of depression and unemployment that the New Deal's chances of re-election would not be worth a thin dime. Always since it has come into power, it has succeeded in making political capital of human misery—heretofore the misery of unemployment, now the bloody misery of war. Always borrowing more and more, putting off the evil day when the people will have to pay for its extravagance.

What, then, will happen to the country—more specifically, what will happen to the railroads and their employees—if, when the war stops, the New Deal is still in power—in other words, if an administration is still in power which during eight years of peace has demonstrated its incapacity, or unwillingness, or both, to establish the political conditions under which the productive and employing power of private business can be restored? The crash of 1929 came as the result of a huge accumulation of private debt engendered by stock market speculation. **A bigger and grander crash is now being prepared by a similar accumulation of public debt for purposes which are even less productive, if possible, than stock market speculation.** The only protection which can be afforded against such a crash is a private enterprise expanded and revived sufficiently to stand up under the terrific load of debt and taxes which is coming our way. Unless private business can be given something to look forward to both during and after the war besides war orders, it is going to be just too bad when the war orders disappear for those whose jobs and incomes depend upon production by private enterprise.

Mr. Willkie understands the governmental conditions which are necessary if private business is to flourish. The New Deal not only apparently does not understand what those conditions are, but its leading economic advisers have openly stated time and again that ours

is a "mature" economy; that private enterprise is through expanding; and that extensive "government investment" must be undertaken as a **permanent** policy, to provide P. W. A. jobs for the workingmen that private industry is unable to employ.

Government "Investment" vs. Railroad Employment

Railroad employees have certainly learned two lessons from the bitter experience of the past ten years: (1) That when production by private business falls off railroad traffic falls off in proportion, and younger employees are furloughed by the thousands; (2) that so-called "government investment" consists largely of superhighways, superbridges and supercanals, built at the taxpayers' expense to enable the railroads' competitors the more completely to divert traffic and jobs away from the railroads.

There is no doubt whatever that the New Deal and all that it stands for in the discouragement of production and traffic, and in the encouragement by its "government investment" of subsidized competition against the railroads, is working continually against the welfare of the **younger railroad employees**, i. e., those whose jobs are sacrificed when railroad traffic declines. But what about the "older heads"—the employees whose seniority is sufficient to make their jobs fairly secure? Why should they concern themselves particularly about the volume of production and traffic on the railroads?

The answer to that question is that **persistent low employment on the railroads is a menace to the railroad pension fund.** No railroad employee need take our word for that statement. It is implicit in a recent report by actuaries to the Railroad Retirement Board, a very fair and impartial account of which was given in the October 1 issue of the publication "Labor." The present railroad pension tax is 6 per cent of the payroll and is to be gradually stepped up to 7½ per cent by 1949. The actuaries found that payments out of the pension fund are so heavy compared with its income that the pension tax ought to be "stepped up" to more than 11 per cent. The Retirement Board itself does not favor immediate "stepping up" of the tax at the present time, for one reason, because **it hopes railroad traffic and employment may pick up.** As "Labor" quite accurately summarizes the situation: "Unless railroad payrolls expand, it may be necessary to increase the tax to about 11 per cent, equally divided between the carriers and their employees. . . ."

The connection between the volume of traffic on the railroads and the solvency of the pension fund is no mystery. If a lot of younger employees are furloughed, pension taxes on their wages quit coming into the Retirement Board, but when employment declines there is no let-up in the money being **paid out.** The pensioned employees keep on drawing their checks each month, just the same as if traffic were flourishing. Moreover, lay-offs do not catch the "old heads"—so just as many new pension applications come in to the

Retirement Board each month when railroad business is bad as when it is good.

It is entirely conceivable, if railroad traffic should drop to new low levels following elimination of the military threat to our national safety, that the condition of the pension fund might become much worse than it is now. It is not impossible that the tax necessary to pay pensions at the existing rate might even become prohibitive, and that the rate of pensions paid might have to be lowered. It is not predicted that this is going to occur. It is just one of those things which is close enough to the welfare of every individual railroader, so that he ought to be thinking about it. Anyhow, the condition of the pension fund makes it clear that it is no longer just the young railroad employee, subject to possible lay-off, whose interest is at stake in the volume of railroad traffic and employment; because, unless there is plenty of traffic on the railroads so payrolls (and pension taxes) are large, **the pensions of the "older heads" are not much safer than the jobs of the younger men.**

Any railroad man, whatever his age or whatever his occupation, thus has a definite personal interest in doing all he can as a citizen to assure that there is an administration in Washington which will stimulate production by private enterprise. The presence of such an administration in Washington will be absolutely vital to the preservation of railroad jobs and railroad pensions when the present artificial stimulus to production arising from defense preparations ceases. The New Deal not only has proved by its eight years in office that it does not know how (or does not want) to go about restoring private enterprise—it openly proclaims that private enterprise is not going to be restored; and that "government investment" is going to take its place. And such "government investment," as railroad employees know from years of observation, is largely in facilities for the free or below-cost and untaxed use of the railroads' competitors. It does not add to railroad employment or improve the safety of railroad pensions, but undermines both.

New Deal Won't Even Try to Revive Private Employment

In fairness to the New Deal, it must be recognized that it has done much to advance the wages and improve the working conditions of labor. But it is also true that wages and working conditions improved even more before. And, giving the New Deal all possible credit where it may honestly lay claim to it, the fact still remains that national production (and hence railroad traffic and jobs) has never recovered from the 1929 crash, as production and traffic and jobs always recovered before after every previous depression in the country's history. Moreover, apart from military traffic and plainly disastrous "government investment," the New Deal does not even promise to try to improve business conditions in this country.

All the railroad employees that we know anything about are more interested in the security of their present wages, and in the assurance that they will get their pensions than in possible future advances in wages. Almost everybody could use more money—but, even more important than more money is dependability of that now coming in. The New Deal has not concerned itself at all with this latter, and more vital, problem of the average workingman; and **it doesn't even promise to do so.**

In contrast with the almost certain calamity to railroad jobs and railroad pensions should the New Deal be in power when national defense activity ends, stands Wendell Willkie with his proven business ability and his program for the restoration of confidence and production in private business enterprise.

Undoubtedly many railroad employees, whose information on these questions so vital to their welfare comes only from certain union publications, intend to vote for the New Deal. Possibly there are some employees who do not see these union publications to which we refer, but whose only railroad reading consists of the *Railway Age*—and who agree with us in our support of Willkie. To both such categories of employees, we suggest that they read the publications they have been neglecting. Compare the arguments which have been made for Willkie to those which have been made for the New Deal. The issues at stake are too vital for the intelligent employee to accept uncritically anybody else's opinion. Let him read the arguments on **both sides**, critically but with an open mind, and then reach his **own** conclusion. We shall welcome the letters (and treat them with the strictest confidence) of all employees who will make this examination of the comparative merit of the New Deal-Willkie arguments, whether their conclusions agree with ours or not.

Reprints of the Foregoing Editorial

From past experience when we have published other analyses of the effect of political policies on railway traffic and employment, we know that many *Railway Age* readers will wish to have reprints of the foregoing editorial. Accordingly, we shall order a supply of such reprints and will make them available at a price of \$2.50 per hundred, postpaid. Address *Railway Age*, 30 Church Street, New York.

Many railroaders share our opinion that much more is at stake in the present election than a mere choice of political parties. Holding this deep conviction, they are not content to leave the outcome to professional politicians. Instead, as individuals, they are assuming the responsibility and the expense of placing in the hands of their neighbors and friends information which will enable the latter to consider intelligently the nature of the choice which will be theirs to make on election day.

The Limitations of the Specialist

"In the complexities of our modern transportation situation"—so writes a man who has mastered a large area of these complexities—"there is an inclination to entrust to specialists ordinary problems which require only the application of *common sense* to their solution. Being a specialist, I have no prejudices against specialists. At the same time I find that they frequently fail to see the forest for the trees. As Laski says:

'We must ceaselessly remember that no body of experts is wise enough or good enough to be charged with the destiny of mankind. Just because they are experts, the whole of life is, for them, in constant danger of being sacrificed to a part; and they are saved from disaster by the need of deference to the plain man's common sense.'

"This seems a harsh indictment, but let's test it with the complicated formulas which we so-called experts have developed to measure freight charges and see if there isn't at least a trace of truth in Laski's allegation within the field of our own observation. To illustrate, let's compare the progression of 1st, 4th and 5th class railroad and truck rates applying east of the Rocky Mountains, with the line-haul progression of rail and truck costs:

competition on short hauls and is much greater than necessary on long-hauls.

"Failure by railroad men to consider these facts enables the trucks to continue to realize a long profit from short-haul operations and to continue to use this long profit to extend their operations on an out-of-pocket basis far beyond their sound economic radius. This method of competitive rate adjustment by the railroads fails to attain its goal and needlessly sacrifices much revenue to no good purpose. I think Dr. Lorenz said something when he observed:

'Perhaps we have here, an illustration of the fact, that to a considerable extent economic theory is a reflex of past economic conditions because a theory once generally accepted persists long after the conditions which have produced it have changed.'

"Don't you think that this table demonstrates the necessity for recasting the entire freight rate structure so as to restrict trucks to the traffic which their costs and service justify their handling? I realize that some experts may have a different idea—but they may be pursuing some professional or technical objective which has only a slight rela-

Progression by 100-mile Blocks in Cents per 100 Lb.

Between-Mileage Blocks	Costs			Official Classes			Western Trunk Line Classes								
	Truck ^a 10-ton	Rail ^b		1	4 ^c	5 ^d	Zone 1			Zone 2 ^e			Zone 3 ^f		
		10-ton	18-ton				1	4 ^c	5 ^d	1	4 ^c	5 ^d	1	4 ^c	5 ^d
5-100	8	5	3	29	15	10	38	21	14	46	25	17	50	28	19
100-200	8	4	2	18	9	6	24	13	9	28	15	11	33	18	12
200-300	8	3	2	16	8	6	20	11	8	23	12	9	24	13	9
300-400	8	3	2	13	7	5	19	11	7	22	12	8	25	14	9
400-500	8	3	2	13	7	5	20	11	8	22	12	8	24	13	9
500-600	8	3	2	13	7	5	20	11	8	22	12	8	24	13	9
600-700	8	3	2	11	6	4	14	8	5	17	10	6	19	10	7
700-800	8	3	2	11	6	4	16	9	6	17	10	6	19	10	7
800-900	8	3	2	11	6	4	14	8	5	17	10	6	18	10	7
900-1,000	8	3	2	11	6	4	14	8	5	17	10	6	18	10	7

^a 12 cents per truck mile, min. wt. 20,000 lb., 50% return load.

^b I. C. C. Statement 3681, box car loadings.

^c 50% of first class in the North, 55% in South and West.

^d 35% of first class in the North, 37½% in West and 45% in South.

^e Also illustrative of South.

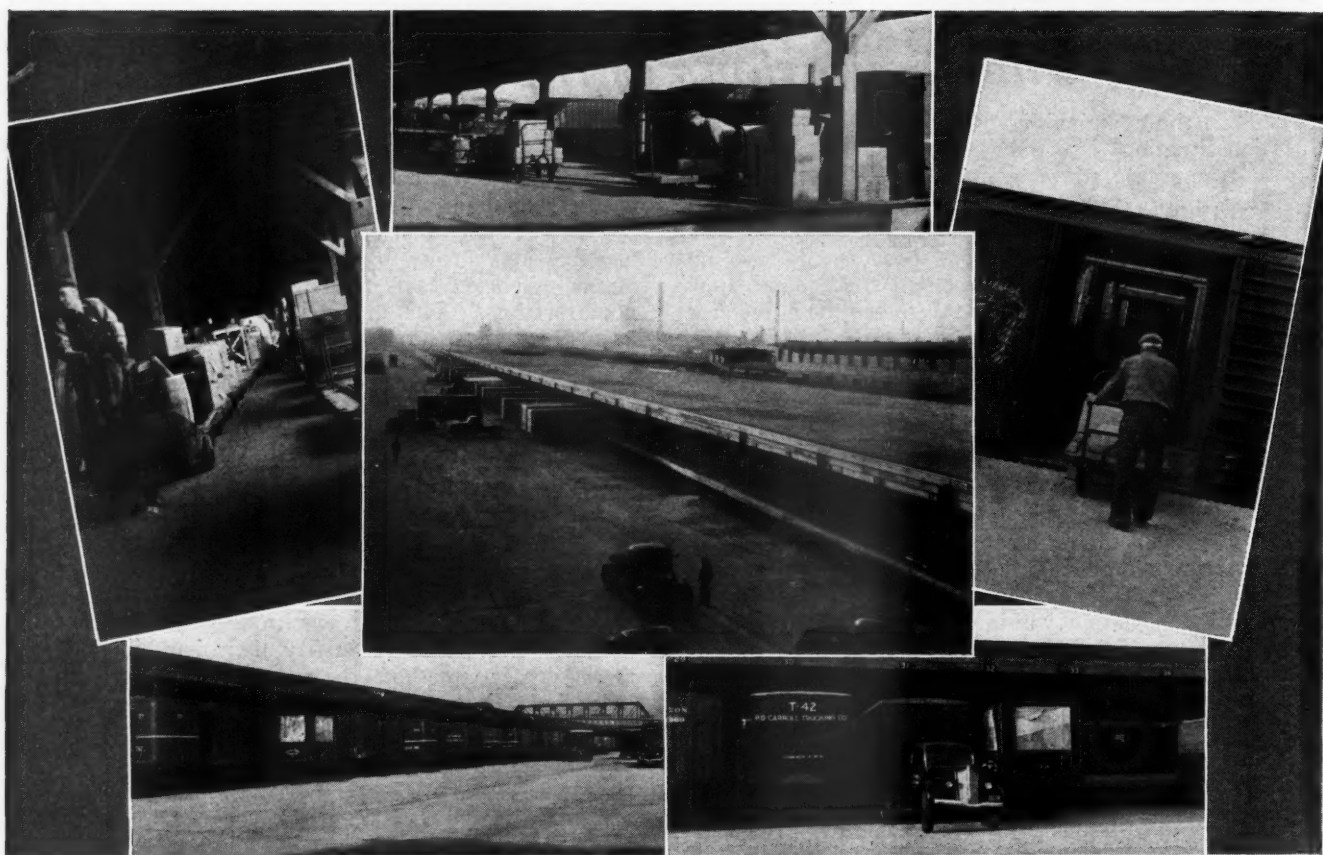
^f Also illustrative of Southwest.

"The progression of railroad and truck costs is the approximate minimum and is used here merely to illustrate the contrast between cost and rate scale progression. There is probably not 10 per cent difference between the high and low railroad costs or between the high and low truck costs throughout this entire territory. But there is over 700 per cent difference between the high and low progressions on merchandise traffic with the same loading characteristics and 275 per cent difference in the progressions on carload traffic with the same loading characteristics.

"Notwithstanding that truck competition is much more severe on short-haul traffic, when the railroads come to reduce rates to meet truck competition, they usually overlook the fact that present rate levels do not reflect the ability of trucks to compete. Consequently they reduce their rates by a flat percentage for all distances, with the result that the reduction is not sufficient to meet truck

relationship to the welfare of the transportation industry as a whole, and of the railroads in particular.

"It is no derogation of the status of the specialist to require that his aims and objectives be subordinated to the good of the whole. It was a medical specialist who said that 'the operation was a success, but the patient died'. The traditions and the technique of his specialty were more important in his eyes than the preservation of his patient's life. Are there specialists on the railroads who are similarly devoted to their narrow professional interests? If so, it is the duty of executive authority to require them to subordinate such interests to the good of the railroad organism as a whole. A rate structure is not an end in itself. Whatever its symmetry and however long and deep may be the loving care which has gone into its construction, if it doesn't secure to the railroads all the traffic and revenues to which they are economically entitled, it is a failure."



Views Taken at the Milwaukee's Enlarged L. C. I. Facilities in Chicago on the Day They Were Put in Service

Milwaukee Opens New L.C.I. Facilities at Chicago

Enlarged station on outskirts of city is designed to effect more expeditious handling of traffic with connecting lines and in the Chicago territory

GREATLY enlarged l. c. l. freight transfer facilities, which cost nearly \$500,000 and which provide for a more expeditious and economical handling of l. c. l. freight, were placed in service by the Chicago, Milwaukee, St. Paul & Pacific in its large industrial yard at Galewood, in the western part of Chicago, on September 30. With the completion of these facilities, which are located about 8½ miles from the business center of the city, this point becomes the center of operation for the handling of all l. c. l. freight by this road, with connecting lines and for store-door pickup and delivery service in the entire Chicago district. It is estimated that the transfer of operations to this point will save as much as 24 hours in the movement of freight, will eliminate rehandling and will reduce the cost of operation. In addition, the larger facilities will enable the Milwaukee to handle a much greater volume of traffic. At the present time, between 185 and 200 cars, or about 1,400 tons of l. c. l. freight are being scheduled out daily.

Under the new plan, inbound Milwaukee l. c. l. trains operate to Galewood, from which shipments for points beyond Chicago are trucked over city streets to connecting lines and those destined for the Chicago area are trucked direct to the consignee. In both instances contract truckers are employed. Prior to September 30, inbound trains carrying only connecting line shipments were operated to Galewood. Trains of merchandise for the Chicago territory and trains containing both types of shipment were operated to the road's Union Street station in the near-west side of the city, from which shipments for the Chicago area were trucked to consignees by contract truckers. Freight in these trains for connecting lines was either loaded onto platform trailers which were transported in "Jumbo" box cars to the inbound platform of the former layout at Galewood, where they were held until the amount warranted the operation of a box car to the connecting line, or trucked from Union Street station to connecting lines. The new

method will eliminate this rehandling of connecting-line freight and will speed up its movement.

Prior to September 30, the Milwaukee received outbound l. c. l. freight including that delivered direct by shippers and that delivered by contract carriers in pickup service at its Cortland, Healey and Union Street stations in the industrial section of Chicago. These shipments were assembled in cars at the latter point and the cars were moved to the road's Galewood or Bensonville yards where they were consolidated into trains and dispatched. The new plan provides that all outbound l. c. l. freight be trucked direct to Galewood, and be loaded into cars spotted on five 42-car tracks adjacent to a new platform, except that shippers who have heretofore delivered their own freight to the Cortland, Healey and Union Street stations may continue to do so. This freight will be trucked to Galewood by the railroad's contract truckers. Under the new plan for handling outbound freight, the Milwaukee's two fast merchandise trains to the north and west do not depart from Galewood until 9 and 9:30 p. m., with the result that the time for receiving freight can be extended beyond 5 p. m., the former closing time at Union Street station.

1,800-Ft. Platforms

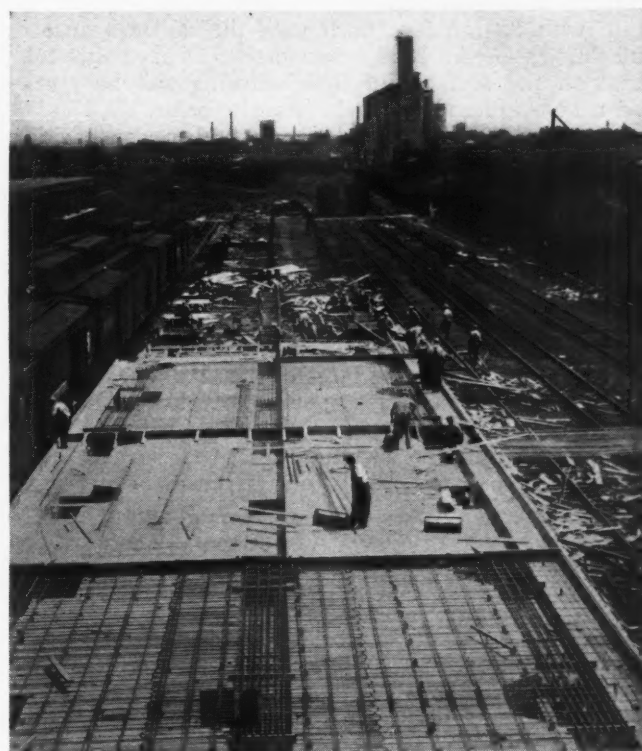
In order to inaugurate this plan for handling l. c. l. freight, the Milwaukee has spent \$472,785 for new facilities at Galewood yard. The new facilities, which are located on the south side of this yard, involved the construction of more than 2,700 lin. ft. of paved driveways, two platforms, and other facilities and track changes. The new facilities supplement former limited l. c. l. facilities, which were used exclusively for the transfer and interchange of l. c. l. freight by cars, with no provision for access by motor trucks.

The former facilities included a shed-protected platform, 32 ft. wide by 1,458 ft. long, with a 399-ft. second-story office section, which is retained in the new layout, and a covered island platform 16 ft. wide by 1,180 ft. long, which was separated from the main platform by five service tracks. This latter platform was removed. The former main platform was extended 352 ft. to the east, or to a total length of 1,810 ft., and an entirely new covered platform, 1,800 ft. long, was constructed five tracks to the south of the existing main platform. This new platform includes a 628-ft. center section, 60 ft. wide, flanked on its west end by a 391-ft. section that is 40 ft. wide, and on its east end by a section 784-ft. long and 40 ft. wide.

The revised track layout includes two tracks along the north side of the lengthened original platform, each of which holds 42 cars; five tracks between the former platform and the new platform, each with a capacity of

42 cars; and three stub-end tracks along the south side of each of the 40-ft. wide sections of the new platform, which have a combined capacity of 75 cars. The tracks on the north are used for inbound connecting line freight, those on the south side for freight for the Chicago territory and the five intermediate tracks, with their through connections at both ends, are used exclusively for outbound loading and for making up outbound trains.

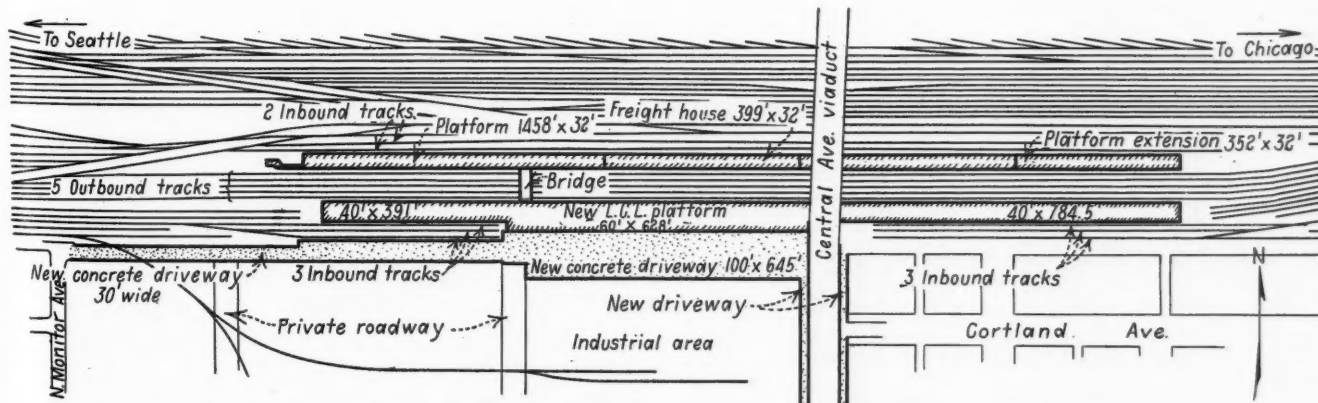
The principal feature of the new layout is the highway truck space provided along the south side of the new platform, for the full length of the 60-ft. wide section,



The New Platforms, With Reinforced Concrete, Armored-Top Decks, Together With All of the Track Changes, Were Completed in Approximately 100 Working Days

which provides tailboard space for the loading or unloading of 62 trucks at a time. Here, the platform is flanked by a large concrete paved area, 645 ft. long by 100 ft. wide, which is given ready connection with nearby city streets by means of new approach driveways to the east and west, these new approaches involving approximately 2,100 lin. ft. of new driveway construction.

Unlike the former platform at Galewood that is in-



General Plan of the Enlarged L. C. L. Facilities, Showing the New Platform Areas and Driveways

cluded in the enlarged layout, which was of frame construction throughout, the 352-ft. extension to that platform, as well as the new 1,800-ft. platform, has a deck of reinforced concrete, flat-slab construction. The deck in each case is supported on a series of three and five-pile clusters of creosoted piles and has a thickness of 8 in., crowned at the center for ready drainage. A feature of the new platforms, which were constructed with early-high-strength cement, is their armored wearing surface, which incorporates a hexagonal pattern of steel floor armoring, $\frac{3}{4}$ in. thick. This armoring, which was delivered to the site in sections 3 ft. wide by 20 ft. or more in length, was incorporated in the platform as built, with its top face flush with the finished surface, and thus exposed. It is expected that through this construction the surfaces of the platforms will be crack-proof, non-skid and highly resistant to wear.

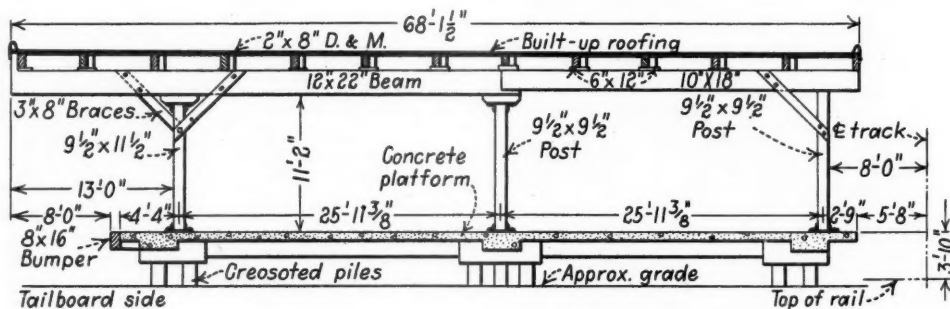
The new platform shed is of timber construction throughout, and consists essentially of 10-in. by 10-in. and 12-in. timber posts, roof beams varying in size from 12 in. by 18 in. to 14 in. by 22 in., 6-in. by 12-in. roof joists, and 2-in. by 8-in. dressed and matched roof decking covered with Johns-Manville built-up roofing. To afford an increased measure of protection to loading and unloading operations, a roof overhang of 8 ft. is provided continuously along the tailboard side of the new 60-ft. platform. All faces of the platform sheds are open, making the precise spotting of cars and trucks unnecessary for loading and unloading operations.

Supplementing the facilities described, a new office and locker building is being constructed along the south

method of platform operation was devised. As stated previously, inbound shipments for the Chicago territory are unloaded on to the new platform from which highway trucks are dispatched, and inbound shipments for connecting lines are unloaded on the old platform and its extension, which have no highway truck loading facilities. In order that the latter shipments can be dispatched promptly from the new platform, a vertical-type lift-bridge, 20 ft. wide, was designed for use between the two platforms. After outbound cars are spotted with a space between them at the bridge point, the bridge is lowered into place and platform trailers with freight from the connecting line platform are drawn over it to the tailboard area. Outbound shipments are also moved over this bridge to the connecting-line platform in order to reduce hand movement over gang planks between the cars on the five tracks, and thus speed up loading.

The movement of freight on the platforms and bridge is accomplished by 200 trailers and five electric tractors formerly used at Union street, and three new gasoline tractors. During the inbound operation the trailers are loaded in the cars and moved by hand or tractor to the platform where they are made into trains and pulled to the tailboard. They are cut off from the train as it passes the assigned highway truck. In the outbound operation the shipments arriving on highway trucks are immediately loaded onto trailers at the tailboard and a continuous tractor-train operation between it and the cars prevents an accumulation of loaded trailers on the tailboard. The platform operation is further facilitated by a five-ton gantry crane which is located at the ex-

Cross Section Through the 628-Ft. Section of New Platform Served by Highway Trucks



side of the new 1,800-ft. platform, directly beneath the Central Avenue viaduct, for use by the platform freight-handling forces. This building, which will be 124 ft. long by 40 ft. wide, will be one story high and of brick construction. Eventually, it will house a platform superintendent's office, a billing office, a wash and locker room for the platform forces and an area to house its own heating plant.

To utilize the site at Galewood for the enlarged l. c. l. facilities required extensive track changes in the yard, including the removal of 32,255 lin. ft. of tracks, the shifting or lowering of approximately 30,000 lin. ft. of other tracks, the construction of 17,607 lin. ft. of new tracks and the reconstruction of three new ladder tracks, which, with the other track changes, involved the removal of 89 turnouts and the construction of 48 new turnouts. Ninety-pound, second-hand rail was employed in all of the trackwork, and No. 10 turnouts were substituted for the No. 7 turnouts which existed formerly. Altogether, the trackwork itself involved an expenditure of approximately \$80,000.

Unique Platform Operation Devised

Because of the arrangement of the yard, which makes one platform non-accessible by highway trucks, a unique

trème east end of the new platform and which is used for transferring heavy shipments from cars to the platform and vice-versa, and a wheel-mounted crane which can be used at various points on the platform for transferring heavy objects from road trucks to the platform and vice-versa.

This new plan for handling l. c. l. traffic is the result of studies made by representatives of the traffic, operating and accounting departments. The construction of the enlarged facilities at Galewood was carried out under the direction of W. H. Penfield, chief engineer of the Milwaukee, assisted by C. T. Jackson, assistant to chief engineer. The platform construction was done under contract by the Thorgersen & Ericksen Company, Chicago; grading, which amounted to approximately 20,000 cu. yd., was done under contract by the Robt. R. Anderson Company, Chicago; while all trackwork was done by railroad forces. All of the work was carried out under the immediate direction of T. H. Strate, division engineer.

A NUMBER OF DIVISIONS of the Swedish State Railways will equip steam locomotives for burning wood fuel in view of the necessity of reducing coal consumption in the country during the coming winter.

Crossing and Trespassing Accidents Worry Safety Men

Law enforcement and education major devices for controlling growing number of persons killed and injured

SO challenging are the increasing numbers of persons killed and injured at grade crossings and while trespassing on railroad property that the Steam Railroad Section of the National Safety Council devoted its entire annual meeting at Chicago on October 8 and 9 to these subjects in an effort to find a means of controlling the growing number of such accidents. Both subjects were analyzed from the viewpoint of the railroads, the public and law enforcing bodies. Chairman E. L. Henry, assistant to the general manager of the Chicago & North Western, presided.

Officers elected for the ensuing year are as follows: General chairman, J. R. Tenney, supervisor of safety of the Western Maryland; vice-chairman, O. F. Gnadinger, safety supervisor of the Elgin, Joliet & Eastern; and secretary, J. E. Long, superintendent of safety of the Delaware & Hudson.

Grade Crossing Accidents

During the discussion of grade crossing accidents, over which J. R. Tenney presided, the effectiveness of protective devices was described by Warren Henry, assistant chief engineer of the Illinois Commerce Commission, and W. M. Post, signal engineer of the Pennsylvania. D. H. Beatty, superintendent of safety of the Southern and chairman of the Safety Section of the Association of American Railroads, reviewed the public aspects of grade crossing accidents, and F. M. Kreml, director of the safety division of the International Association of Chiefs of Police, spoke on enforcement as a factor in grade crossing safety.

The practical safeguarding of minor grade crossings is the major problem in reducing this type of accident and the one in which the least progress has been made, according to Warren Henry. In his talk, Mr. Henry took the position that the human element is the most important aspect to be considered in determining the effectiveness of safety measures. "The primary object and purpose of grade crossing protective devices," he continued, "is to promote public safety, that is to reduce the exposure of the public to conditions of hazard. In that fundamental view I think there is, or should be, no difference of opinion between state authorities and anyone else, railroads or others who are dealing with this same problem. The criterion or measure of efficiency should be the degree to which it accomplishes this purpose, that is, the degree to which exposure to hazard is reduced in respect to the general public, which includes the highway users, passengers and train crews and anyone who is rightfully in the vicinity of a railroad crossing.

"The factors which make for effectiveness or non-effectiveness are not all mechanical ones. Many of them are human factors, and are not as readily subject to control as are the mechanisms employed. The fact that there are human factors, however, is not a matter that can be disregarded, and moreover it does not follow that human

factors may not be dealt with, anticipated, studied, and, to some extent, controlled.

"This is a very essential aspect from the standpoint which I am endeavoring to present. From this standpoint we are not so much concerned with what ought to happen as with what does generally happen, not depending so much on what a motor-car driver ought to do as what the ordinary human being is likely to do, not dealing with a theoretical personage, who is at all times vigilant, watchful, alert and has his mind on what he is doing, but rather with the common ordinary run of mortals who are subject to shortcomings, frailties, lapses and infirmities which experience shows are the common heritage of mankind and also of womankind.

Human Factor Important

"This, in brief, is the human factor. In the ultimate effectiveness of our safety measures it may be more important than the mechanical factors. Dealing with it may seem to be somewhat within the realm of psychology, but in any event, human behavior and human nature is not a thing to be ignored, overlooked or omitted in a study directed to public safety.

"Here is the problem in this field which I believe is now farthest from solution. What can be done about the numerous minor crossings? The art has not yet produced, or at least brought into general practical use, any crossing protective system that is reliable, effective and practically usable for these situations. Our present protective devices are appropriate for major, but not for minor crossings. Here is a challenge to the engineers and technicians, a very real need which so far has not been met. There is a broad gap between a marking by fixed signs at a cost of less than \$100 and installing elaborate electrical signaling apparatus at an expense of several thousand dollars. In this gap there are thousands of crossings which seem to need something more effective than fixed signs, but for which the present expensive apparatus is out of the question.

"Neither has there been developed, by traffic control or otherwise, any satisfactory solution. Stop signs have been tried out extensively but for the most part given up as unworkable.

"The problem should not be ignored, or lightly dismissed as the concern only of each offending driver who gets hurt. It is actually a widespread situation of public hazard, for which we do not yet have a satisfactory solution."

Small Percentage of Drivers Take Chances

Mr. Post spoke in part as follows: "The number of highway grade crossing accidents declined from 4.49 per million train miles in 1930 to 4.12 in 1939. Measured in terms of the number of automobiles registered, the number of accidents declined from 183 per million in

1930 to 113 in 1939. Expressed in terms of chances of an accident, in 1930 a motor vehicle had one chance in 5,500 of being involved in a grade crossing accident, while last year the chance was one in 8,800. This improvement is, of course, gratifying; however, when we consider the vast amount of effort that has been made to reduce accidents at highway grade crossings we are disappointed that there has not been greater improvement.

"The number of highway crossings equipped with automatic signals has increased rapidly during the years since the advent of the automobile. There were about 23,000 crossings protected by signals in 1939. The number of crossings protected by signals, gates and watchmen in 1939 was about 32,500. Approximately 190,000 grade crossings are protected by fixed signs only.

"I. C. C. statistics show that for an equal number of crossings there are more than three times as many accidents at crossings protected by automatic signals, and other protective devices, than at crossings protected by signs only. Of course, the more dangerous crossings and those having heaviest highway and train traffic are the ones which are protected by automatic signals, bells, etc. However, these figures are significant and indicate that intensive efforts should be made to secure increased obedience to warning signals and other protective devices.

"Much has been done to make the motor vehicle driver realize his responsibility, but much remains to be done. The enactment into law, and enforcement of the law by all of the states, of Section 102, Article XIII, Act V, entitled 'Uniform Act Regulating Traffic on Highways,' prepared by the National Conference on Street and Highway Safety would go a long way toward making protective devices at grade crossings effective. I quote . . . 'Whenever any person driving a vehicle approaches a railroad grade crossing, the driver of such vehicle shall stop within 50 ft. but not less than 10 ft. from the nearest track of such railroad and shall not proceed until he can do so safely when:

(a) A clearly visible electric or mechanical signal device gives warning of the immediate approach of a train;

(b) A crossing gate is lowered, or when a human flagman gives or continues to give a signal of the approach or passage of a train;

(c) A railroad engine approaching within approximately 1,500 ft. of the highway crossing emits a signal audible from such distance and such engine by reason of its speed or nearness to such crossing is an immediate hazard;

(d) An approaching train is plainly visible and is in hazardous proximity to such crossing.

"In 1937 six states had such a law, or one similar with a penalty, and seven states had such a law without a penalty. There should be a penalty and rigid enforcement if the law is to be effective.

"About 86 per cent of the grade crossings in the United States are protected by fixed signs only. Additional protective devices are provided at the remaining 14 per cent because of the greater density of traffic, or in some cases because of physical conditions at the grade crossing. Motor vehicles, unless the driver takes chances, must approach the 86 per cent of grade crossings protected only by signs, prepared to stop, look both ways and listen for the engine whistle, and not proceed over the crossing until the driver knows he can do so safely. When motor vehicles approach grade crossings where signals, watchmen or barriers are provided and no warning is being given, the driver generally assumes that no train is approaching and drives over the crossing without reducing speed materially.

"If the crossing is equipped with signals and they indicate that a train is approaching, the careful driver will stop and not proceed over the crossing until either the train or trains have passed or until he knows he can do so safely. A small percentage of drivers, probably not more than 5 per cent, do take chances and pass over the crossing against the warning signal without ascertaining that they can do so safely. The percentage of drivers who take chances is probably about the same at crossings protected by signs only, as at crossings protected by additional protective devices. This leads me to think that probably signals and other protective devices are more effective in facilitating highway traffic over the crossings than they are in providing additional safety. In order to further reduce the number of grade crossing accidents both at the 86 per cent of crossings protected by signs only, and at the 14 per cent protected by special protective devices, all concerned should concentrate on the small percentage of drivers who take chances.

"The most important step which can be taken, I think, is the enactment into law by all of the states with a penalty clause of Sec. 102, Act XIII, Sec. V, referred to and quoted earlier in this paper and provisions made for enforcement of this law."

Speed and Inattention Cause Mishaps

Mr. Beatty said in part: "With the ever increasing number of motor vehicles and their uses, we have concurrently the demand for greater and smoother highways free from impediments to traffic and safe as the engineer can construct. In this phase we find the rail and highway intersections which, as relates to the majority, were in existence before the coming of the motor vehicle. Other grade crossings have been constructed to meet some expediency and with full sanction of state or city authorities. The problem now is how can these occasional hindrances to highway traffic flow be eliminated or traffic warned and controlled, that death and destruction will not occur at these intersections.

"We are not unmindful, as we keep within this special cycle of the safety work, that in 1939 there were only 3,476 crossing accidents involving casualties, but records will disclose that for every one with casualties there were approximately three others without casualties, totaling perhaps 14,000 crossing accidents. These, when enumerated as relates to the total motors registered indicate that only 1 motor vehicle in every 2200 ever experiences any accident difficulty at highway-railroad grade crossings, yet if this type of motor accident is to be lessened and accidental deaths prevented, the public must acknowledge and assume its responsibility in the premises.

"Speed and inattention on the part of auto drivers cause many mishaps on our highway; these two factors likewise enter into every crossing accident. Last year among the 3,079 collisions between trains and motor vehicles, 1,096 were caused by the motor vehicle running into the side of the train. In some crossing accidents trains are derailed, with casualties to passengers and train crews and with property loss to the railroads amounting to thousands of dollars. No better way seems apparent to awaken some drivers to their responsibilities in crossing accidents than to charge them with the damage involved. Pinching the 'pocket book nerve' seems to awaken the 'obedience nerve' and to create mental alertness.

"We know tourists motor millions of miles every year; we know also that well established motor bus and freight truck fleets traverse miles and miles of our highways, crossing and recrossing railroad tracks at grade, but we should not lose sight of the fact that they are seldom in

crossing accidents, nor is it the heavily used crossing—a study for elimination—that is generally involved. It is the car or truck locally owned and operated and the driver who has crossed and recrossed the railroad many times and is fully acquainted with the complete layout. The serious accidents occur at crossings little used and on roads in the second and third grouping. Instructors and patrolmen need not go far from the site of the crossing to find those who should be contacted, instructed and governed.

"We are informed through the Interstate Commerce Commission that during six months of this year 884 persons have been killed and 2,181 injured in crossing accidents as compared with 680 killed and 1,846 injured in 1939. The number of accidents has increased 326, or 20.31 per cent.

"Inattention and speed are the two evils the public must govern, and we who are assembled here today and our associates back on our properties are definitely a part of the public. Let us then keep alive and pursue more vigorously through every agency at our command our efforts in this humane undertaking—the saving of life and limb, the elimination of accidental casualties."

Trespassing

The discussion of trespasser accidents, over which P. F. Buckle, superintendent of safety of the Chicago, Burlington & Quincy presided, revealed the viewpoint of the public, the police, railroad employees and safety councils. Speakers included Fred G. Gurley, vice-president of the Atchison, Topeka & Santa Fe; W. I. Spitler, chief special agent of the Chicago, Indianapolis & Louisville; Lt. Harry E. Meyers of the Joliet, Ill., Fire Department; Joe E. Maskell, passenger conductor on the Chicago, Burlington & Quincy; and Elizabeth Bales, assistant director of the Colorado State Safety Council.

Mr. Gurley said in part: "The booklet: 'Accident Facts,' published by the National Safety Council reveals that last year 93,000 people met accidental death in the United States. In 1939, 597 railroad employees and passengers were killed, of which 32 were passengers, a high percentage of those being the result of one very unfortunate and unusual passenger train derailment.

"The 1939 record is undesirably high (any number is undesirably high); yet comparatively speaking it was only 0.64 per cent of the accidental death. Considering the millions of passenger miles and the millions of employee man hours associated with millions of moving vehicles and machines that is a good comparative record.

"It was made possible by two things. First, a safe and sound transportation plant—there is none better in this world. Second, by a system of operation governed by definite rules and the use of discipline to enforce those rules. I emphasize definite rules and enforcement through discipline because those are the outstanding shortcomings in dealing with the problem of this section of the National Safety Congress. I refer now to the perplexing and somewhat neglected, problem of the trespasser.

"These 597 deaths are not all of the accidental deaths which occurred in connection with steam railroad operation in 1939. The total, as given by the Interstate Commerce Commission Bureau of Statistics, is 4,699 and of that total 2,424 or 52 per cent were trespassers and another 1,519 or 32 per cent were killed in grade crossing accidents. These two groups account for 84 per cent of the total. In neither are rules, or shall we say laws, as definite as I think they should be; nor is there adequate discipline or law enforcement. This is especially true of the first group.

"For many years the public did not manifest much concern about the hazards of grade crossings; neither did it accept its obvious responsibility for accidents, which continued to increase somewhat in proportion to automobile registration. Fortunately, however, that viewpoint has changed materially and more adequate protection as well as the actual elimination of grade crossings, largely at public expense, at the traffic intersections with the greatest volume have been carried forward vigorously in recent times. Discipline, although not yet what it should be, has improved. The highway traffic officer is alert and energetic. In 1939, deaths in grade crossing accidents were 56 per cent of the 1929 fatalities due to the same cause. In other words, this loss of life now is about half what it was in 1929.

No Improvement in Ten Years

"But in the trespasser group we find practically no improvement in the last ten years. The number killed in 1939 was surprisingly close to the record of ten years ago. Why is that? What is the public's responsibility and what should be done about it? For one thing, there should be universal recognition and acceptance of the fact that for every right there is an obligation. We Americans talk a lot about our rights but not enough about our obligations. The fact that my neighbor has the right to own property means I have an obligation to respect it.

"By the literal meaning of the word, a trespasser is one who has not kept his obligation and has violated the rights of another. In contemplation of this, the sign 'No Trespassing' hangs across the railroads' right-of-way all the time. Because of the great dangers always present, by the very nature of the business, the entire public as well as the carrier has a vital interest in preventing trespassers from causing delays in service, loss or damage to property, injury or death to passengers, railroad employees, or to the trespassers themselves, but has the public established adequate rules about trespassers which it enforces by policing and discipline. I think it is not unfair to answer negatively.

"Not only is that true but other laws, for one reason or another, have been so interpreted that some of us think undue burdens and liabilities are placed upon the owners of railroad property and the trespasser escapes his normal and proper obligation.

"Unfortunately, courts are becoming more and more liberal in their attitude toward trespassers who are injured and now nearly every case becomes a 'question of fact for the jury.' Judgments running into many thousands are upheld because the evidence is said to show that 'the trespasser was wilfully and wantonly injured.' A trespasser was on a train or on a right-of-way, unlawfully; he was indifferent to his own safety and, therefore, became injured; yet under these decisions it is held that we have made his status lawful because, in the view of the court and jury, under the facts and circumstances of the particular case, some railroad employee did a little more, or did a little less, than the court or jury thought was proper and lawful. Consequently, the railroad companies are required to pay out not only the actual damages which a jury decides should be awarded, but in many cases a large additional amount is given the plaintiff as punitive or exemplary damages.

"When the public, functioning through its legislative bodies and its courts, does these things which break down or does not accept a proper respect for the rights and obligations which I have mentioned it has not met its responsibility in my judgment. Rather it has issued a left-handed invitation to trespass and the invitation is being accepted."

Signal Section Meets in Washington

Economic studies, new developments, and educational material were features of the program



G. K. Thomas
A. T. & S. F.
First Vice-Chairman



J. S. Gensheimer
Pennsylvania
Chairman

THE forty-sixth annual convention of the Signal Section, A. A. R., held at the Wardman Park Hotel, in Washington, D. C., on October 8, 9 and 10, was attended by 367 members. J. S. Gensheimer, superintendent telegraph and signals, New York Zone, of the Pennsylvania, presided as chairman. The meeting opened with an address by Chairman Gensheimer, followed by an address by C. H. Buford, vice-president, Operations and Maintenance department, A. A. R., abstracts of these addresses appearing below. Following these addresses, R. H. C. Balliet, secretary, presented his annual report.

The morning session closed with the showing of a motion picture entitled, A 14,000-Mile Signaling Circuit. This picture started with a brief history of the founding of the Railway Signaling Club in 1895, as the forerunner of the Railway Signal Association, which is now the Signal Section, A. A. R. Following this introduction, motion pictures were shown of the signal engineers of today, who are actively carrying on the work of the Signal Section. During the afternoon session on Tuesday, as a part of the report of Committee IV-Automatic Block Signaling, J. I. Kirsch, assistant superintendent of telegraph and signals of the Pennsylvania, delivered a paper explaining the development and application of the coded track circuit. On Wednesday, a paper entitled, Signaling on the Assam-Bengal Railway (India), was presented by E. W. Baker, signal engineer of that railway, and a second paper entitled, Highway Grade Crossing Protection, was presented by P. M. Gault, signal engineer of the Missouri Pacific.

Address By Chairman Gensheimer

In opening the convention, Chairman Gensheimer urged that each report receive careful consideration. This is particularly true, he said, where the action recommended is acceptance for submission to letter ballot. The Manual of recommended practice of the Signal Section is recognized as the highest authority on signaling matters, and any railroad not conforming to the recommended practice in new work may be on the defensive if occasion should arise to question its practices. It, therefore, behooves the members to see that no specification or other matter is placed in the Manual without very careful consideration, to insure that it is worthy

of being designated as "recommended practice." It should be understood that the adoption of a new specification or of new requisites does not immediately stigmatize existing installations as obsolete, but rather indicates what should be done in new installations and major replacements. At times it has been hard to bring those connected with regulatory bodies to appreciate this angle of the situation.

Prior to the issuance of the I. C. C. Rules, Standards and Instructions there was little difficulty in railroads interpreting the "Interlocking" definition, but with representatives of the railroads and representatives of the Commission both attempting to interpret the definitions as written, some difficulty has been experienced. New definitions prepared by Committee V and Committee X were approved by the Committee of Direction and by the vice-president, Operations and Maintenance department, A. A. R., as well as the Operating section, A. A. R., and these definitions are now in the Standard Code.

Address By C. H. Buford

Mr. Buford stressed the fact that the Signal Section, A. A. R., represents one of the most technical of the many groups that are studying and improving the railroad plant in this country. You have given the railroad industry many improved devices, he said, and in recent years you have contributed, in a large measure, to two outstanding improvements in the industry. First, and to my mind the most important, is your contribution to safety of operation. Regardless of any statements you have read or comments you have heard to the contrary, the railroads of the United States furnish the safest means of transportation available in the world to-day. Second, you have given us improved signals and devices that have speeded up the movement of trains, and at the same time have increased line capacity to a point which otherwise could have been obtained only by the expenditure of millions of dollars for additional tracks.

The principal topics of conversation to-day are the war in Europe and our preparedness program. Adequate preparedness will mean a large expansion in building ships and armament of various kinds, and in training personnel. The basic need for all these activities is transportation. The railroads normally handle about two-

thirds of all freight transportation in the United States, and on them will fall the major transportation increase in connection with the program. They welcome this increase in business, and have said they will provide the facilities to handle it in a satisfactory manner. Notwithstanding this assurance, there are those who review statistics and express contrary opinions. We have found nothing to equal the estimates furnished by the shippers regional advisory boards and the officers and statisticians of the Car Service division of the Association of American Railroads.

I want you to know that the railroad executives and the officers of the Association of American Railroads are giving the question of needed facilities serious consideration. We will continue to do this, and are trying to keep from misleading either the public or ourselves as to what is needed for the preparedness program.

Report on Economics of Signaling

For the last several years the committee on Economics of Signaling has presented reports concerning the costs involved in stopping trains, and the discussion presented in the 1940 report had to do with the effects of grades on the costs involved. A large chart, included in the report, presented data on the costs of fuel and water wasted in stopping a train of 4,400 tons gross weight, in 45-ton double-truck cars, hauled by a 2-8-4 locomotive on various grades. For example, when stopping such a train from 35 m. p. h. on a 0.1 per cent ascending grade, it was found that 148 hp. hours are wasted.

$$\begin{aligned} \text{Cost of fuel} &= \text{hp. hours wasted} \times 3.5 \times \\ \text{wasted in stopping} & \quad \text{(read from chart)} \quad 13500 \\ (1) & \quad \text{A. A. R. Sig. Sec. 7063} \quad \text{B.T.U. per lb. of fuel} \end{aligned}$$

$$\begin{aligned} & \times \frac{\text{steam factor of locomotive}}{18} \times \frac{\text{cost of fuel per ton}}{2000} \\ & = 148 \times 3.5 \times \frac{13500}{13500} \times \frac{18}{18} \times \frac{\$3.21}{2000} = \$0.831 \end{aligned}$$

$$\begin{aligned} \text{Cost of fuel} &= \text{grate area} \times 1.5 \times \frac{\text{minutes standing time}}{\text{in sq. ft.}} \\ \text{consumed while} & \quad \quad \quad 6 \\ \text{standing} & \quad \quad \quad \times \frac{\text{cost of fuel per ton}}{2000} \\ (2) & \quad \quad \quad \times \frac{6}{6} \times \frac{\$3.21}{2000} = \$0.241 \end{aligned}$$

$$\begin{aligned} \text{Total cost of} &= \text{cost of fuel wasted} + \text{cost of fuel consumed} \\ \text{fuel wasted} & \quad \text{in stopping} \quad \quad \text{while standing} \\ (3) & = \$0.831 + \$0.241 = \$1.072 \end{aligned}$$

$$\begin{aligned} \text{Cost of water} &= \text{water factor} \times \text{cost in cents per 1000 gal.} \\ \text{wasted in \$} & \quad \text{(read from chart)} \quad \text{of water} \\ (4) & \quad \text{A. A. R. Sig. Sec. 7063)} \\ & \quad \times \frac{\text{Steam factor of locomotive}}{18} \\ & = \$0.00518 \times 12 \times \frac{18}{18} = \$0.062 \end{aligned}$$

$$\begin{aligned} \text{Total cost of} &= \text{Total cost of fuel wasted} + \text{cost of water} \\ \text{fuel and water} & \quad \quad \quad \text{wasted} \\ \text{wasted account} & = \$1.072 + \$0.062 = \$1.134 \\ \text{of stop} & \\ (5) & \end{aligned}$$

By a similar calculation in the report, the cost of stop-

ping the same train on a -0.1 per cent grade was fixed at \$1.26.

In accordance with the diagram of "Stop Cycle," the cost of stop, so far as fuel is concerned, is the difference between the hp. hours of work required to accelerate to any speed and the hp. hours of work running through the acceleration distance at constant speed equal to the speed accelerated to, and from which the stop is made.

"Stop Cycle" diagram applied to aforementioned typical examples in this report shows:

$$\begin{aligned} \text{Hp. hours of work required to accelerate to 35 m.p.h.} & \\ \text{speed on -0.1 per cent grade} & = 282.91 \\ \text{Hp. hours of work required to run through accelera-} & \\ \text{tion distance at 35 m.p.h. constant speed on} & \\ \text{-0.1 per cent grade} & = 112.64 \end{aligned}$$

(May be read from A.A.R. Sig. Sec. 7063) 170.27

$$\begin{aligned} \text{Hp. hours of work required to accelerate to 35 m.p.h.} & \\ \text{speed on +0.1 per cent grade} & = 717.81 \\ \text{Hp. hours of work required to run through accelera-} & \\ \text{tion distance at 35 m.p.h. constant speed on} & \\ \text{+0.1 per cent grade} & = 569.77 \end{aligned}$$

(May be read from A.A.R. Sig. Sec. 7063) 148.04

As the speed increases to the limit of capacity of the locomotive to accelerate the load or when the grade negotiated is increased to the point where further acceleration is not possible, conditions obtain similar to running through and the hp. hours consumed accelerating and running through converge to a point where they are about equal, which explains the lower cost of stop on the plus grade, this being indicated on A.A.R. Sig. Sec. 7063, which shows the hp. hours of work wasted account of stop decrease as the grade negotiated increases.

An extended discussion arose over items other than coal and water which are involved in stopping trains, such as wear on wheels, rails, brake shoes, etc., damage to cars and lading and the freight train time lost. A diagram calculation and chart were presented showing the cost of regaining time lost when making train stops. A typical calculation was given to show the cost of additional fuel and water involved in stopping a 6,450-ton train of 80-ton cars hauled by a 2-10-4 locomotive on level tangent track from a speed of 40 m. p. h., standing 6 min., and then regaining the time lost by running at 45 m. p. h. until the time was made up; as against running through at 40 m. p. h. In brief, the time lost was 9.84 min., which was not made up until the train traveled 59.06 mi., and the additional cost for fuel and water was \$5.91. If no effort had been made to make up the time lost by the stop, the cost would have been \$2.19.

For ready reference, the committee report included an extended list of installations of automatic signaling, interlockings, centralized traffic control and car retarders on which economic studies had been made, and references by page number were given to previous reports of this committee, as well as to articles concerning such projects which have been published in technical magazines.

A report dealing with the economy of signal construction and maintenance by using 78-ft. rails as compared with 39-ft. rails, showed that the use of the longer rails saved \$30 per mile in bonding material, and \$7.20 in the labor of installing bonds, on each mile of track. The annual saving in maintenance replacements averaged \$1.11 per mile. The use of the longer rail should reduce by 50 per cent the number of signal failures and resultant train delays. In reply to a questionnaire, 17 railroads reported economic data concerning the savings effected by slide-detector fences, and the annual return over and above 6 per cent interest charges ranged from 2.2 per cent to 243.8 per cent.

After working for several years to assemble data concerning the savings effected by the use of car retarders, the committee encountered difficulties in securing data

which were comparable, and, therefore, on the 1940 report a form was presented which can be used by railroads to assemble data concerning costs prior and subsequent to the installation of retarders.

A report on the economy of replacing oil semaphore lamps with electric lamps supplied from primary batteries, showed an annual return of 41.27 per cent over and above 6 per cent interest charge on an investment of \$6,412 for electric lamps on 237 signals. The average monthly cost for maintenance and operation of an oil lamp was \$1.24, compared with \$0.174 for an electric lamp.

Report on A. T. C. and Signals

The committee on Automatic Train Control and Signals presented reports, as information, summarizing automatic train control and automatic cab signals in the United States as of January 1, 1940. Also presented as information was a report relative to applications to the I. C. C. for modification and installation of signals, switches, etc.; hearings before the Interstate Commerce Commission; and the I. C. C. order of April 13, 1939—Rules, Standards and Instructions, together with the Signal Inspection Act.

The report was presented by J. E. Saunders (D. L. & W.), committee chairman, who read an extensive addition to bring the information in the Advance Notice up to date, an abstract of this latest information being as follows:

About 2,100 applications requesting modification of facilities had been filed with the Commission prior to October 1, 1940. As of the same date, 35 applications had been filed requesting permission to modify the Rules, Standards and Instructions. An application for modification of sections 319, 320, 355 and 388, covering alining and locking of a movable bridge was denied. Forty applications had been assigned for hearing by the Interstate Commerce Commission prior to October 1, 1940. Three of the hearings are of particular interest since they requested modifications or interpretations with respect to Code rules rather than changes in signaling functions.

Two carriers made formal applications to the Commission for permission to rearrange certain signaling to improve operation by increasing stopping distances for following moves, and better to provide for opposing operation on single track toward meeting or passing points. They subsequently were advised by the Bureau of Safety that the applications did not, in all cases, provide adequate spacing of signals governing opposing movements to conform with the requirements of Rules 204 and 207. The signals particularly referred to were the intermediate ones between passing tracks. After reviewing the matter the carriers requested a modification of Rules 204 and 207 to permit the present spacing of intermediate signals to continue.

In contending that it was an interpretation rather than a modification of the rules involved, the railroads maintained that an interpretation permitting the present spacing of signals to be continued would not be inconsistent with the wording of the rules. Their position was tenable because in their opinion the rule was not definite or exact.

The testimony disclosed that trains on single track are operated by means of time tables and train orders, without any method of blocking as a part of the operating requirements. Automatic block signals are utilized as a medium of additional protection for following moves, and to facilitate closing in at meeting or passing points. The intermediate signals between sidings are installed primarily to permit following moves at closer intervals than would be possible without them. They are not

required to protect opposing operation, as the time table rules and supplementary train orders are designed to prohibit two trains running in opposite directions from occupying the track between passing points simultaneously. Testimony was also presented to show that during the last 10 years the Bureau of Safety has issued no report of an investigated accident, the cause of which was attributed to the distance between opposing intermediate signals.

The subject of emergency braking entered into the discussion at one of the hearings. Commenting on this issue, it was pointed out that it can be argued that the operation of opposing trains on single track between passing points, represents a violation of rules or orders, and can be regarded as an emergency condition, such as this recognized type of braking is provided to protect. Many locations of intermediate signals might provide satisfactory protection when consideration is given to stopping a train in the shortest time and space interval, instead of depending on a regular service application. Other factors made a part of the testimony were the impracticability of locating intermediate signals to provide stopping distances at all speeds for opposing movements, and the prohibitive cost of making the changes.

The committee on Contracts and Instructions has for several years been issuing booklets prepared not only for reference but also for the education of signal department employees, a total of 23 separate booklets on as many subjects now being available. In the report presented at the recent convention, new sets of instructions or additions to those previously issued were given concerning the installation and maintenance of copper-oxide caustic soda cells, storage batteries, rectifiers, motor generator sets, electric lamps and car retarder systems. Further sets of instructions explained methods of testing grounds, insulation resistance, maintenance and testing of interlockings, spring switches, block signaling, track circuits, relays, insulated rail joints, wires and cables, electric locks and switch circuit controllers.

The report of this committee also included a typical example of itemizing the costs of the construction of joint signaling facilities, and a table of signal and interlocking units. A form was shown for use in recording inspections of highway-railroad crossing protection apparatus.

Highway Crossing Protection

The committee on Highway Crossing Protection presented a revision of a drawing of a 50-deg. reflector-type highway crossing sign, with revisions of requisites for highway grade crossing signals, and a new specification 190-40 on a flashing-light signal unit. This committee also presented a report on the illumination of crossings, and one on the progress of corrective measures taken to minimize or eliminate phantom indications of flashing-light signals.

Following the presentation of the paper on Developments in Highway Crossing Protection by P. M. Gault (M. P.), various members discussed certain phases of the subject. G. H. Dryden (B. & O.) said that he had been informed recently that manufacturers could now furnish mechanisms for operating gates which included "drive back" operation so that it was not necessary to depend on gravity to cause the arm to lower, a point for consideration where adverse wind pressures are encountered. Mr. Dryden said, however, that he hoped that the committee would take no action that would prohibit the use of existing semaphore signal mechanisms as gate mechanism.

S. E. Gillespie (W. R. S. Co.) explained that the
(Continued on page 553)

Congress in Pre-Election Lull

While Transportation Act of 1940 has been the big story, many other bills of interest to railroads have been passed

WASHINGTON, D. C.

WITH the Senate and House of Representatives operating under tacit understandings to remain, through a series of three-day recesses, on a no-business-until-after-election basis, Congress this week provided one of those lulls wherein the work of this long session may be reviewed. It is, of course, quite likely that there will be more legislating in post-election sessions, but meantime little business is expected to be transacted until after that "first Tuesday after the first Monday in November"—unless some crisis arises in connection with the international situation. It takes something in the nature of a crisis to produce quorums of legislators preoccupied with reelection campaigns.

The transportation story of the session was the story of the conference-committee meetings on S. 2009, the Wheeler-Lea omnibus transportation bill; the sabotage of the original conference report by its erstwhile labor-leader friends; and its subsequent revival to become the Transportation Act of 1940 when President Roosevelt signed it on September 18. But that story has been told serially in virtually every issue of *Railway Age* from the first of February to mid-September. Aside from the editorial comment appearing from time to time, the 1940 file of *Railway Age* will turn up some thirty S. 2009 articles, aggregating more than 55,000 words. Provisions of the act, which in general made several amendments to the Interstate Commerce Act including a new Part III for the regulation of water carriers by the Interstate Commerce Commission, were reviewed in the *Railway Age* of September 21, pages 399-403. Meanwhile the history of the legislation which was pending nearly two years had been highlighted in the issue of September 14, page 371.

S. 2009 Wasn't Only Bill Passed

The Transportation Act of 1940, however, was not the only legislation of interest to railroads enacted thus far in the present session; many other measures of more or less importance have been passed. Among the more important was the so-called bridge bill and the liberalizing amendments to the Railroad Unemployment Insurance Act. The former provides relief for railroads with respect to the cost of reconstructing bridges required to be altered in connection with waterway improvements made by the federal government. Such relief was recommended by President Roosevelt's committee-of-six, and provided in the original House version of S. 2009. When it became evident that the omnibus bill would be left in conference when the first session of the present Congress adjourned in August, 1939, a separate bridge bill was passed only to get a Presidential veto. Relying upon what the sponsors thought were authoritative assurances that certain changes would meet the President's objections, Congress passed another bridge bill at the present session. Again the President vetoed, but the measure was passed over the veto. Recently a deficiency appropriation bill to provide additional money for the civil functions of the War Department during the current fiscal year included an item of \$1,100,000 to meet the requirements of the bridge bill.

The liberalizing amendments to the Railroad Unemployment Insurance Act were approved by the President on October 10. The original proposals in that connection went to Congress after a breakdown of negotiations between representatives of railroad labor and management for agreed-upon changes. The Unemployment Insurance Fund had turned out to be bigger than was thought necessary; and management, while agreeing to some liberalization of the benefit provisions, wanted also a reduction in the unemployment insurance tax which is paid entirely by the railroads. In the end labor got about what it wanted when the amendments left the tax unchanged and increased the benefits an estimated 92 per cent. Meanwhile, a bill introduced by Representative Martin J. Kennedy, Democrat of New York, to require employees to pay one-half of the three per cent railroad unemployment insurance tax has thus far got nowhere.

Pension Act Amendments

Another act relating to unemployment insurance which was passed is that giving Kentucky and other similarly situated states additional time to work out arrangements for the transfer to the Railroad Unemployment Insurance Fund of taxes collected from railroads for the period during which railroad employees were under the Social Security Act's jobless pay set-up. Kentucky's courts had held unconstitutional a statute which undertook to authorize the transfer. New amendments to the Railroad Retirement Act exempt from coverage the employees of railroad-owned and railroad-controlled coal mines and Mexican employees of the Pullman Company. The former change was favored by railroad labor and the Railroad Retirement Board, while the Board also sought the exemption of the Mexicans in order to avoid complications which arose in connection with the deduction of pension taxes from the wages of such employees.

Another pension matter is covered in Senate Joint Resolution 267, signed by the President last week. This authorizes the Retirement Board to use \$9,000,000 from the Railroad Retirement Fund to pay railroads (50 cents for the record of one man for one year) for the work of bringing up to date the service records of prospective applicants for annuities. The Retirement Board's previous attempt to have these prior service records compiled by W. P. A. labor fell through when the Brotherhood of Railroad Clerks withdrew its support of the plan. Among provisions of the excess profits tax bill, also signed by the President last week, was that which amends the Railroad Retirement Act to allow annuitants credit for periods of military service prior to January 1, 1937, when a federal conscription act was in effect and during war periods and when required to serve in the armed forces of the United States. In the latter connection, however, Senator Wheeler, Democrat of Montana, last week came forward with S. 4411 to repeal that provision of the excess profits tax bill and insert in the Railroad Retirement Act a substitute amendment which would allow credit for the described service in the armed forces

subsequent to September 7, 1939, as well as prior to January 1, 1937, in other words the Wheeler bill would cover the past and also the present period when a federal conscription act is in effect, and the period of emergency immediately prior thereto.

Train-Wrecking Made Federal Crime

Among other measures passed was the act which makes it a crime to wreck or attempt to wreck a train engaged in interstate commerce; the amendment to the Transportation Act of 1920 which authorizes the Secretary of Treasury to make compromise settlements of loans made under section 210 of that act; and the act which authorizes the Postmaster General to contract with motor carriers for carrying mail and postal clerks, which went through after being amended to limit its application to situations "where it is found that adequate railroad facilities are not available." Also, the law changing the titles of the chief inspector and assistant chief inspectors of locomotive inspection to director and assistant directors of the Bureau of Locomotive Inspection; the act which authorizes an appropriation of \$100,000 for continuing the work of the United States Travel Bureau in the Department of Interior's National Park Service; the resolution authorizing the Department of Labor's Bureau of Labor Statistics to make continuing studies of productivity and labor costs in manufacturing, mining, transportation and other industries; and the executive order which transferred the Civil Aeronautics Authority to the Commerce Department. A resolution to disapprove the transfer was adopted by the House but defeated in the Senate; meantime in what was interpreted as a move to appease the opposition, former C. A. A. Chairman Robert H. Hinkley was named assistant secretary of commerce, the way to the appointment having been paved by the naming of the incumbent—J. Monroe Johnson—to the Interstate Commerce Commission post left vacant by the resignation of Marion M. Caskie.

Then there has been the usual run of bills carrying appropriations or authorizations for expenditures. Appropriations for the federal-aid highway program during the fiscal year ended June 30, 1941, included a \$25,000,000 item for grade-crossing work; while \$20,000,000 for such work has been authorized for each of the two following fiscal years, ending June 30, 1942, and June 30, 1943. The original War Department civil functions appropriation bill for fiscal 1941 carried \$67,365,000 for rivers and harbors work; while the "national defense" rivers and harbors bill, now awaiting action by the President, carries authorizations for projects estimated to cost approximately \$35,622,000. The latter measure was passed after the President had vetoed a \$109,985,000 rivers and harbors bill with a promise to approve authorizations for projects "of national defense value." Meanwhile the Congressional friends of such proposed waterways as Tennessee-Tombigbee and Beaver Mahoning did their best; among bills pending is one to set up a federal authority to construct Beaver-Mahoning and another to build Tennessee-Tombigbee as a "national defense" project. The Independent Offices Appropriation Act carried \$9,058,750 for the I. C. C. to spend during fiscal 1941; also, the National Resources Planning Board's \$710,000, some of which is being used for the transport study now being made under the direction of Owen D. Young, former chairman of the General Electric Company.

One "Make-Worker" Pending

Generally speaking, the session thus far has been notable for the lack of "make-work" bills; although one

"make-worker" did get so far as to win the approval of the Senate committee on interstate commerce. It is the so-called Pullman conductors bill, sponsored by Senator Minton, Democrat of Indiana, to require the Pullman Company to assign a conductor to every train which has sleeping cars operating on night runs of 100 miles or more. In supporting the bill at the Senate hearings the conductors seemingly overreached themselves, having so much to say about the alleged ineptitude of porters for assignments placing them in charge of cars, that the porters raised a fuss which prompted Senator Minton to defer his efforts to obtain Senate action. Also postponed indefinitely is action by the House committee on judiciary on bills proposing a special court to handle railroad reorganization procedures. One such bill S. 1869, passed the Senate last year. Likewise, nothing has been heard of S. 2903, the so-called "strait-jacket" bill to give the I. C. C. regulatory authority over "outside investments" of railroads since it passed the Senate at the previous session.

Among other pending measures are various proposals to liberalize Railroad Retirement Act benefits; bills to exempt certain state-owned and operated carriers from the pension acts; a bill to set up a federal workmen's compensation system for employees of interstate motor carriers; and another to give personal injury claims preferred status in railroad reorganization cases. Then there are the super-highway bills; a bill to authorize the Tennessee Valley Authority to use its funds to pay for rail and highway bridges altered because of its dam-construction program; a proposal to earmark funds collected from federal gasoline taxes for highway construction; a bill to exempt from Panama Canal tolls inter-coastal ships suitable for conversion into naval or military auxiliaries; and a bill to impose tolls for the use of locks on the inland waterways. In the latter connection, President Roosevelt's budget message last January suggested that Congress might well make a study of the possibilities of collecting fees from users of lakes, channels, harbors and coasts.

Bills for Competitors

Also, the bill to require pipe lines (other than the crude-oil lines) to obtain certificates of convenience and necessity from the Interstate Commerce Commission for new construction and extensions; and the other to prohibit producers, refiners and marketers of petroleum from operating tankers and barges. Along the same line is the resolution calling for a House investigation of the interference of any government agency with the enforcement of the anti-trust laws; this came after the National Defense Advisory Commission had advised the Department of Justice that it would not be in the interest of national defense to institute at this time a suit to require oil companies to divest themselves of pipe lines. Passed by the House and sent to the Senate last week was H. R. 10098, the so-called deficit bill to adjust the basis for settlements of certain short-line claims growing out of federal control; passed by the Senate and sent to the House was the so-called refrigerator car bill which would give shippers of fresh fruits, packing house products or dairy products the right to furnish their own refrigerator cars—provided the railroads were unwilling or unable to supply proper equipment. Introduced in the Senate this week was the resolution (noted elsewhere in this issue) calling for a Wage and Hour Administration investigation of the situation of "red caps."

Moreover, there are other pending bills to change the National Railroad Adjustment Board set-up; to bring the hours of Railway Express Agency employees under the Fair Labor Standards Act; to give the I. C. C. con-

trol over the hours of all motor carrier employees; to prevent carriers from owning or acquiring any interest in a newspaper published in the United States; and to prevent the merger of roads using the Moffatt Tunnel. The House-approved Logan-Walter bill to provide for judicial review of rules and decisions of administrative agencies remains pending before the Senate. The I. C. C., Railroad Retirement Board, National Mediation Board and National Railroad Adjustment Board were exempt from the version which passed the House, the I. C. C. having been left out of the original bill and the others having been taken out by an amendment proposed by Representative Crosser, Democrat of Ohio. The Senate-approved resolution calling for an I. C. C. investigation of "postalized" fare proposals has been effectively pigeonholed since last April when the House committee on interstate and foreign commerce voted to postpone consideration of it indefinitely.

From Senator Wheeler's sub-committee which investigated railroad finances came a few more reports, while a lively interlude of the session was provided by the hearings conducted by Senator Reed, Republican of Kansas, on the resolution calling for a Senate interstate commerce sub-committee investigation of railroad methods of handling l. c. l. forwarder and express traffic. That sub-committee considered at the same time various bills for the regulation of freight forwarders, but it has thus far made no report. Meanwhile, the House recently passed a bill providing for "stop-gap" regulation of forwarders, i. e., a measure designed to preserve the status quo of forwarder operations, now threatened by I. C. C. orders, until more comprehensive legislation is considered.

Testimony offered by Murray W. Latimer, chairman of the Railroad Retirement Board, at hearings early this year on the appropriation bill carrying the Board's funds for fiscal 1941, revealed the first four years of operations under the pension acts would show that tax collections had fallen eight to ten million dollars short of the original estimates while benefit payments would amount to \$165,000,000 more than was contemplated. Later Congress received the report of the Board's Actuarial Advisory Committee which found that rates under the Carriers Taxing Act would have to be increased from the present six per cent to approximately 11.11 per cent if they are to maintain a fund adequate to support the retirement system as now set up. The Board, however, did not regard its initial experiences as typical of those to come, and recommended no increase at this time in the tax which is set up to rise gradually to 7½ per cent in 1949.

From time to time throughout the session various waterway and highway projects have been promoted as desirable from the standpoint of "national defense," some of these have been referred to in the foregoing, and the Florida Ship Canal is another that has been mentioned in the same connection. Railway labor has been alert in such situations, promptly voicing opposition to such schemes. Early in the session, a group of railway labor leaders sent to all members of Congress a letter calling upon the legislators to withhold appropriations for waterway projects until there was proof that existing transportation facilities could not take care of the transport needs of the territories involved.

The pending measures listed in the foregoing can, of course, come up for further action at any time prior to the date when this session adjourns sine die. At that time any measure left pending will die with the session; since a new Congress will convene next January. Meanwhile there are also some measures carried over from the previous sessions of the present Congress "which, like the bills mentioned in the foregoing, are still pending—even though nothing was heard about

them during the current session. Reference to such measures will be found in the review of this Seventy-Sixth Congress' first session which appeared in the *Railway Age* of August 12, 1939, pages 255-257.

Signal Section Meets

(Continued from page 550)

first short-arm gates were operated by ordinary semaphore mechanisms which were designed to operate blades about 4-ft. long, and that it is an imposition to expect such a mechanism to be adaptable for operating a gate arm, this being true especially when the semaphore mechanism is old and worn. On the other hand, gate mechanisms designed especially for this service are now available, and should, therefore, be used rather than trying to apply old semaphore mechanisms. Mr. Gault explained that up to a few years ago the signal engineers had consistently objected to the use of various types of gate mechanisms, but when standard types of semaphore mechanisms, of the types developed and approved by the Signal Section, were applied to operate gates, the signal engineers could no longer contend that such gates were unsafe or could not be maintained. He explained that the so-called short-arm gates are now getting too long for such a mechanism.

W. K. Howe (G. R. S. Co.) stated that mechanisms of new designs, now available, are capable of operating gate arms up to 36 ft. in length, and that the service will be satisfied under any weather conditions of adverse wind or ice loads. He stated that, in order to secure proper results under all circumstances, the operating voltages would have to be increased above 10 volts, and perhaps to 20 volts.

Other Committee Reports

The report of the committee on Signal Practice included revised requisites for systems of signaling, including interlocking, centralized traffic control and automatic block signaling. The committee chairman explained that these requisites had been revised to bring them in identity with the requirements of the I. C. C. Rules, Standards and Instructions, and, furthermore, to eliminate items not mentioned in the I. C. C. regulations.

The reports of the other committees were devoted primarily to new or revised specifications and standards of a technical nature. The Interlocking committee presented specifications on electro-pneumatic interlocking, circuit controllers for drawbridges, and car retarder systems, and also presented an extensive illustrated report on the construction of slide-detector fences and fire protection on bridges. The committee on Designs presented reports relative to certain revised drawings and recommending that certain other drawings be made obsolete.

The committee on Materials Research submitted revisions of specifications concerning lubricating oils and on paints and painting. New specifications were presented relative to air-depolarized carbon caustic soda primary cells; metal plating; sealing compounds, and specifications for various types of steel. Tables showing the available capacity in various types of primary and storage batteries at solution temperatures from 0 deg. to 100 deg. F., were also submitted. The report of the committee on Overhead and Underground Lines included 17 specifications for insulated wires and cables used in the signaling field, which had been revised to bring the requirements in conformity with developments and improvements which have been made in the manufacture of such products.

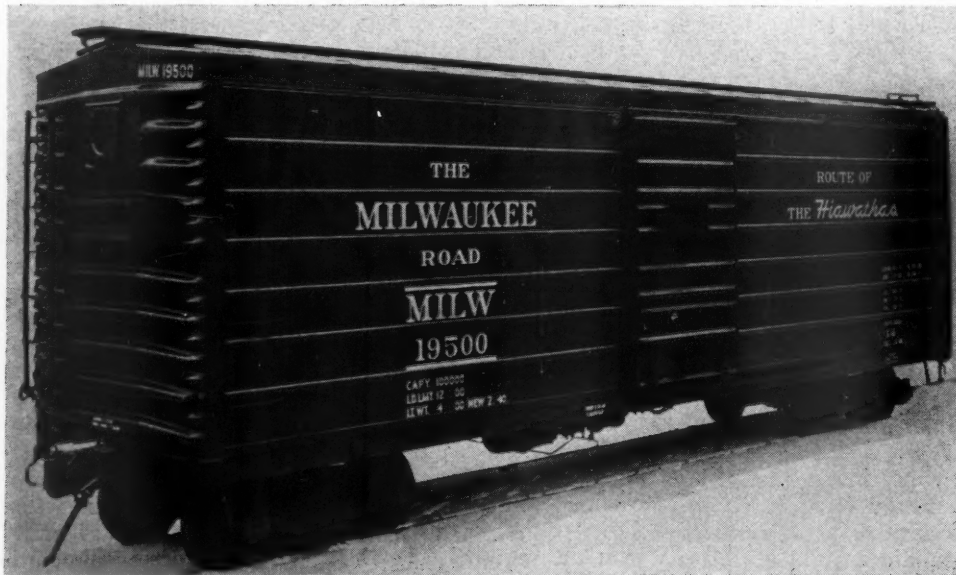
Milwaukee Builds 50-Ton Box Cars

3,188 new cars, built at Milwaukee shops, embody lightweight welded construction—25 cars are arranged for double-deck loading

THE Chicago, Milwaukee, St. Paul & Pacific has just completed the construction of 3,188 50-ton, 40-ft. 6-in. steel box cars at the company shops, Milwaukee, Wis. These cars are of the lightweight, double-sheathed, all-welded type, using low-alloy high-tensile steels for the underframes, sides and lower section of the two-piece steel ends. They utilize fundamentally the same construction as the automobile box cars recently built at the same shops, except for the shorter length, use of two cross-bearers instead of four, different door arrangement and minor refinements in design. Eighteen

tional Z-pressing floor supports give added strength to the floor. Lightweight cast-steel striking castings and bolster center fillers are attached to the center sill by welding. The AB brake application is compactly arranged. The car has a Douglas fir plywood ceiling. Side and end lining, also made of Douglas fir tongue-and-groove lumber, are arranged with clean-out boards which can be taken out to remove grain, etc., which may find its way behind the lining. The cars are equipped with Barber stabilized trucks.

In this group of 3,188 cars, 18 have special fabricated



One of the New Milwaukee 50-Ton Box Cars

of the cars have a new type of steel floor plates and 25 cars are arranged for double-deck loading to meet special traffic requirements.

The principal dimensions and weights of the new cars are given in the table. The car sides are made of No. 15

Principal Dimensions and Weight Factors of New Milwaukee 50-Ton Box Cars

Inside length	40 ft. 6 in.
Inside width	9 ft. 2 in.
Inside height at eaves	10 ft. 6 in.
Inside height at center	10 ft. 11 1/4 in.
Width of side door opening	6 ft.
Length over striking casting	41 ft. 7 3/4 in.
Length between truck centers	30 ft. 7 3/4 in.
Cubical capacity	3,898 cu. ft.
Weight capacity nominal	100,000 lb.
Light weight	42,600 lb.
Load limit	126,400 lb.
Ratio of load limit to gross load	74.8 per cent
Ratio of light weight to cubic capacity	10.93 lb. per cu. ft.

gage sheets having six ribbed sections running the full car length. The framing structure is made up of formed sections which are assembled and welded together on a hydromatic spot welder. Improved steel ends are applied employing reinforced corner posts. The lightweight Z-26 center sills are made of special steel composition. Addi-

steel floor plates which cover the entire wood floor and are perforated with round holes. To prevent moisture and dirt getting into these openings a special asphalt is used having a consistency soft enough to allow driving of nails. These plates, supplied by the Standard Railway Equipment Company, are designed to form a permanent floor construction which will require no further maintenance cost throughout the life of the car.

25 Cars Designed for Double-Deck Loading

On the last 25 cars, a combination double-deck anchoring device is installed in the car interior to meet the growing demand for a more flexible means of handling various commodities and mixed loads. Although attempts in this direction have been made by several railroads it appears that the developments were such that the various cars became specialized units, adaptable only to certain types of lading. In addition to the double-deck feature, means are available for anchoring lading without nailing wooden braces to the sides or floor of the car.

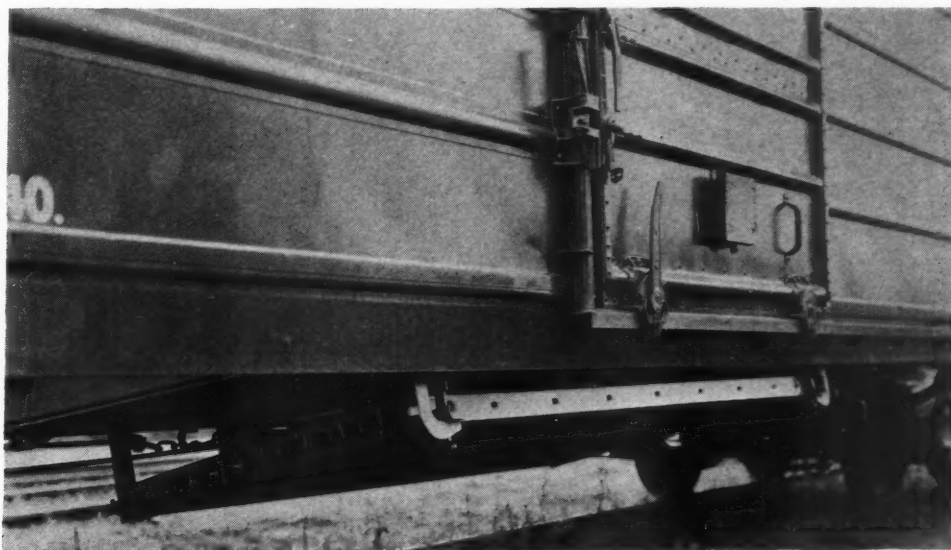
The principal new features of these 25 cars include the application of 144 metal anchor pockets applied to the interior side walls, which can be used for anchorage of cross beams when double- or even triple-deck loading

is used. These pockets are located at six elevations and at 12 intervals on either side of the inside walls of the car. When the supports are in place across the inside

with present standard loading methods for bulk or package commodities.

This double deck loading design lends itself more

Cross Beams Are Carried in an Ingenious Holder Under the Car, Where They Are Protected Against Pilfering by a Pin and Seal



of the car, grain doors or other flooring is laid thereon to provide a second or third deck, as needed. These are held in place by nails through the wood centers of the steel cross beams. When the cross beams are not in use,

readily to split or mixed l. c. l. loads; loading of like commodities when high piling might crush the lower tiers; and saving cost and time in anchoring the load due to the use of the metal banding. Where the rates



Special Steel Floor Plates Can Be Seen at the Doorway—The Lift Truck Is Used in Applying Double-Deck Load



Method of Installing Removable Cross Beams Ready for Application of Double-Deck Flooring

they are carried in a receptacle underneath the car, and to protect them from being stolen a seal pin and seal is applied. The anchor pockets, which have a flat upright key pin welded in each pocket, can also be used to hold flexible steel straps which, when drawn taut with a mechanical ratchet device, prevent shifting of the lading, thus eliminating wooden cleats or blocking now generally used. These steel straps may also be used instead of lumber as door protection. The design of metal pockets provides a flush interior and does not interfere

for tractor loadings for eastern and southern territories are the same regardless of the size of car used and regardless of the weight of load therein, it has been demonstrated that by double decking the loads, the 40-ft. car will carry an ordinary 50-ft. car load. Therefore, as the lighter 40-ft. car is less costly to build and maintain, it should prove more adaptable to general transportation requirements.

The method of anchoring the loads with metal straps also tends to prevent damage to both the floor and the

side lining, which constitute the most important single elements of car-repair cost. The new construction therefore is well adapted to make a substantial reduction in



How the Flexible Steel Straps Are Applied to Hold the Upper Deck Load Securely in Place

car maintenance expense. The principal objective, however, is to provide improved service and hence attract new business to the rails.

Eastman Defends I. C. C. Procedure

A DEFENSE of the I. C. C.'s method of holding public hearings on controversial questions and an assurance that water carriers need have no fear that the Commission will reach decisions arbitrarily upon any important questions of construction or interpretation of S. 2009 were the salient points in an address by Joseph B. Eastman, chairman of the Interstate Commerce Commission, before the annual meeting of the Association of Interstate Commerce Commission Practitioners at Chicago on October 10 and 11.

"The important regulatory provisions of Part III of this act," said Mr. Eastman, "do not become effective in any event until January 1, 1941, and we have authority to postpone their effective dates, if we believe that the public interest so demands, and even until as late a day as April 1, 1942. Specifically, the prohibition against engaging in transportation without a certificate or permit, as the case may be, will have no force and effect until at least January 1, 1941. A water carrier subject to the prohibition and which is in operation on the effective date may nevertheless continue in operation thereafter without the requisite certificate or permit, provided it files an application therefor some time within the 120 days which follow the date. We shall give full instructions in regard to the filing of applications before the date arrives. There will clearly be ample time for filing within the specified period.

"The statute provides for numerous exemptions, and for that reason or for others water carriers may be in doubt as to whether a certificate or permit will be re-

quired for all or some part of their operations. They will be able to protect all rights, however, by including such doubtful operations within their applications and without any prejudice to a contention that for those operations no certificate or permit can lawfully be required. It will also be possible, if we follow our precedents with respect to motor carriers, and I have no doubt that we shall, to apply for a certificate or a permit in the alternative, dependent on whether the Commission ultimately finds the applicant to be a common or a contract carrier."

Mr. Eastman also discussed the investigation of the Commission, made by the Attorney General's Committee on Administrative Procedure. He said, "Two matters, I think, merit comment in this brief talk. In the course of the inquiry the idea was given some currency that in our work, and particularly in what were termed our general investigations, we make unnecessary use of procedure like that employed in court litigation, and could with advantage dispense in many cases with public hearings or conduct them after the manner of a congressional committee and without the usual opportunity for cross-examination. We think we know that this idea is not sound.

"Where the law requires a public hearing and our decision must be based on the record there made, we are profoundly convinced that the rights of conflicting interests cannot be adequately protected unless they are given full opportunity to present pertinent evidence and also to subject the evidence of others to the test of cross-examination. We agree that in the making of rules and regulations, where the law does not require a public hearing, the method of informal investigation and conference can be properly employed, and we do employ it. But even in such cases, we believe that where an important difference of opinion develops which cannot be reconciled in conference, there is no better or wiser course to pursue than to bring that issue out into the open and have it threshed out in normal fashion in a public hearing and, if need be, argued before the commission. Such hearings take some time, but they are a most effective safety valve; they are also a safeguard against arbitrary action, and even more important, they are a very vital part of the democratic process.

"The second thing which I wish to speak about is what I regard as our weakest spot, and it is one that has given us much concern. The Commission is criticized, and very pertinently, because of the long time which it has taken to decide many of its cases. These delays have not been caused by sloth or indifference, and I am sure that you recognize that fact. Looking back over an experience of more than 20 years, I would place the chief causes of such delay as has occurred, in the order of their importance, about like this:

"(1) The sudden development within a short period, usually because of new legislation, of a great flood of cases, for the prompt handling of which our existing staff is inadequate. This happened after the passage of the Transportation Act, 1920, and also after the passage of the Motor Carrier Act, 1935.

"(2) The time required in obtaining the appropriation necessary to augment our staff for the handling of such accessions of work and in recruiting the new force under civil service regulations after the appropriation has been obtained.

"(3) Congestion of such cases after they have got by the staff and have reached a division of the Commission for decision.

"(4) The length of time required by public hearings in proceedings of great territorial scope in which a multitude of parties are interested.

"(5) The time sometimes taken by the Commission

in reaching decisions and reframing reports, as a body of eleven men where sharply divergent views are developed.

"These causes of delay mostly present problems for the Commission in the conduct of its internal affairs. We have struggled with them to the best of our ability, and with some degree of success, for quite a number of short-cuts or improvements in procedure have been developed and put into effect. We are keeping up the struggle and expect to find other means of improvement. With respect to congestion which has at times occurred after cases reach the bottle-neck stage of final decision, we hoped to find relief in legislation which we recommended and which would have given us authority to make a more extensive use of individual commissioners and of boards of employees for initial decisions. Unfortunately, this recommendation was not followed, and in the Transportation Act of 1940 the situation in this respect is made a little worse than it was before."

The program of the meeting also included an address by Chester C. Thompson, president of the Inland Waterway Corporation on the Status of Water Carriers under the New Legislation; one by Luther M. Walter, trustee of the Chicago Great Western, on A Look Forward; and another by James M. Landis, dean of the Law School of Harvard University, on the Sherman Act.

Officers elected for the ensuing year are as follows: President, Parker McCollester, New York; secretary, Milton P. Bauman, New York; treasurer, Charles E. Bell, Washington; vice-presidents, Edwin H. Burgess, New York; Charles Donley, Pittsburgh, Pa.; A. J. Ribe, Birmingham, Ala.; Douglas Smith, Chicago; R. K. Keas, St. Louis, Mo.; E. P. Byars, Ft. Worth, Tex.; L. C. Jones, The Dalles, Ore.; Harry R. Brashear, Los Angeles, Cal.; and L. D. Chaffee, New Orleans, La.

Mr. Thompson said in part, "Under the Transportation Act of 1940, all carriers, shippers and consignees and the nation as a whole may look forward with optimism to a new day in transportation history, when this nation will be equipped with a transportation system adequate to meet the needs of commerce and of the national defense, rendering efficient and economical services at reasonable rates; and with all modes of transportation impartially regulated so that the inherent advantages of each will be preserved in accordance with the policy of Congress as declared in the new act."

The head of the Inland Waterways Corporation then proceeded to exult to a moderate degree that Congress has really done so little to bring water transportation to a basis of equality in regulation and self-support with the railroads. Said he:

"No material change is made in the so-called rate-making rule. Also the long-and-short haul clause of the fourth section of the Interstate Commerce Act is still intact except for the elimination of the equi-distant clause. No tolls are provided for the use of improved waterways and the law does not discontinue the operations of the Federal Barge Lines."

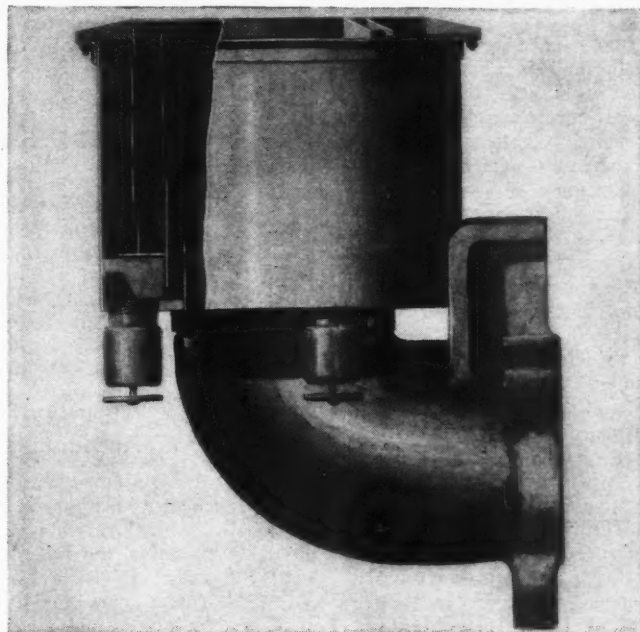
THE BUENOS AIRES & PACIFIC, a British-owned road proceeding west out of the Argentine capital, has recently added 12 Ganz-built rail-motor cars to its equipment roster. Eight of the new cars are to be used for passenger traffic, while the remaining four will be used for express and mail traffic out of Villa Mercedes to various branch lines. The cars have a maximum speed of 60 m. p. h. and a normal operating speed of 56 m. p. h. The passenger-carrying units have a seating capacity for 60 persons, while the express cars have a capacity of 10 tons. The latter are so constructed as to permit easy conversion to passenger-carrying facilities if necessary at a later date.

Locomotive Steam Dryer

THE Dri-Steam Valve Sales Corp., New York, has introduced improvements in its standard line of locomotive steam driers. The latest design of dryer is shown in the illustration with a cut-away section showing the details of construction.

This dryer has a steel shell that surrounds three concentric cylindrical shells and between these four shells at the bottom are three annular collecting chambers. All of these collecting chambers open into a common annular receiving chamber at the bottom between the two outer shells. Referring to the three inside cylindrical shells, the outermost has continuous bands of slots or louvers inclined 30 deg. to the right of the vertical, while those in the next inside shell are inclined 30 deg. to the left. The innermost shell is pierced by thousands of small diverging nozzles which protrude from its outer surface. The bottom of the innermost cylinder opens into the standpipe. Except for the outside annular chamber all of the openings at the top are closed by a cover plate.

In operation, steam from the top of the steam dome enters vertically through the outside annular opening and passes in thin streams through the louvers in the first inside cylinder into the middle collecting chamber.



The Improved Dri-Steam Separator for Locomotive Use—The Cut-Away Section Shows the Construction Details

The inclination of the louvers produces a continuous downward helical thrust to the steam flow in a counter-clockwise direction. This action forces the separated water to the bottom as the steam reverses sharply to enter the oppositely inclined louvers in the next inside cylinder where the foregoing action is repeated in a clockwise direction in the inner collecting chamber. Here the rapidly whirling steam scrubs across the protruding nozzle tips before combing through the nozzle openings into the interior of the inside cylinder and then entering the standpipe. Check valves are applied to the receiving chamber and permit the free drainage of the water into the boiler, but close instantly to prevent backflow, should syphoning occur.

NEWS

Urges Permanent Transport Board

Congressman believes permanent body should replace board called for in new law

Asserting that the preparedness program has made it all the more desirable to have a permanent federal department of transportation, which would be the sole executive agency to deal with policy and planning phases of transport, Representative Osmer, Republican of New Jersey, in a statement inserted in the appendix to the October 14 issue of the Congressional Record, argued for consideration of his pending bill (H. R. 6402) to provide such a set-up. The Osmer bill was introduced early in 1939; as noted in the *Railway Age* of May 27, 1939, page 922, it would leave regulatory questions involving all forms of transportation to the Interstate Commerce Commission, while setting up a five-member Transportation Authority to act as advisor to the President and Congress on transport planning and policy matters.

"Without an adequate transportation system," Mr. Osmer said in his October 14 statement, "it will be impossible adequately to defend the wide areas of the United States. . . . American transportation is entangled in a maze of boards, bureaus, commissions and authorities with overlapping functions. Among the agencies dealing with transportation, Mr. Osmer listed the National Resources Planning Board; the Transportation Section of the National Defense Advisory Commission; the temporary transportation board (not yet named) called for in the Transportation Act of 1940; Interstate Commerce Commission; Civil Aeronautics Authority; Maritime Commission; Public Roads Administration; Division of Transportation of the Bureau of Foreign and Domestic Commerce; Lighthouse Service of the Department of Commerce; Bureau of Navigation and Marine Inspection; "various other federal departments and bureaus"; 48 state public utility commissions; and "various local agencies and authorities."

"The 1940 Transportation Act," Mr. Osmer went on, "clearly recognizes the need for some central agency to deal with this problem. However, it provides only for the appointment of a temporary transportation board and this board is asked to review only a very limited number of specific problems, although the board seems to have authority to review other phases which, to it, would seem to require analy-

sis. The National Transportation Authority provided in H. R. 6402 . . . is far broader in its provisions. H. R. 6402 recognizes, in addition to the serious civil problem, the great need for military transportation preparation. It is the first proposal made to deal adequately with this important problem. It is far in advance of any other military proposal made since then, to place our military machine with its basic branch, the transportation of troops and materials, on a sound fundamental basis . . ."

Lounge Added to City of Los Angeles

A lounge car for the use of coach passengers, the first of its kind, has been added to the consist of the Streamliner City of Los Angeles, operated by the Chicago & North Western—Union Pacific between Chicago and Los Angeles, Cal., thereby making it an 18-car train.

Wheeler Submits Another Report to the Senate

Senator Wheeler from the committee on interstate commerce has submitted to the Senate and that body has ordered to be printed part five of a series of reports on "Railroad Combination in the Eastern Region" which were the outgrowth of his investigation into railroad holding companies and railroad financial practices.

I. C. C. Order Makes Changes in Accounting Classification

Continuing the work of the piecemeal program which is expected to result in a general revision of the accounting classification, the Interstate Commerce Commission, Division 1, has issued a six-page order containing 17 items covering changes, additions and deletions in the classification. The order, which was entered on September 30, becomes effective on January 1, 1941.

The commission's Bureau of Accounts has for some time been working on the piecemeal revision under a plan which contemplates that each item will be submitted (through the A. A. R. Accounting Division's contact committee with the I. C. C.) to accounting officers for criticism. The objectives which the Bureau has in mind were outlined by Assistant Director Crandall in remarks made at the 1940 annual meeting of the Accounting Division, as noted in the *Railway Age* of June 29, page 1171. It is understood that the substance of the changes required by the present order has been considered and approved by the interested Accounting-Division committees.

Treasury Officers Meet at Roanoke

Record attendance at fourth annual meeting of A. A. R. Division

The largest attendance ever recorded at a meeting of railway treasury and financial officers featured the fourth annual meeting of the Treasury Division, Association of American Railroads, held at Roanoke, Va., October 10-11. Attendance at the meeting totaled approximately 275 members and guests, including many prominent banking and financial executives as well as railway officers of other departments of the carriers. Including meetings held under the auspices of the former Railway Treasury Officers Association, the Roanoke convention was the 33rd annual meeting.

Addresses were delivered by Robert M. Hanes, immediate past president of the American Bankers Association, David A. Weir, assistant executive manager, National Association of Credit Men, and E. H. Bunnell, vice-president, A. A. R. Finance, Accounting, Taxation & Valuation Department, H. B. Fink, secretary and treasurer, Atchison, Topeka & Santa Fe, was elected chairman of the Division for the ensuing year, and R. P. Ahrens, treasurer, New York Central, was elected vice-chairman.

Following a welcoming address by F. M. Rivinus, general counsel of the Norfolk & Western, and preliminary remarks by the presiding officer, A. E. Tate, assistant treasurer, Southern, Mr. Hanes was introduced by P. D. Houston, president of the American Bankers Association and a member of the Division by virtue of his position as treasurer of the Tennessee Central. Mr. Hanes' address, entitled "Looking Ahead," was followed by that of Mr. Weir, who spoke on "Credit or Chaos?" A. A. R. Vice-President Bunnell addressed the convention briefly at its closing session, outlining certain important developments affecting the rail industry generally since the previous convention in 1939, and expressing appreciation to the officers of the Division, as well as to all treasury officers for the co-operation which they have afforded the Association, and his Department particularly, during the past year.

The reports of the various standing committees and sectional groups of the Division for the fiscal year were briefly summarized by the respective chairmen, and dealt with numerous technical problems and subjects peculiar to treasury and finance work. In

(Continued on page 568)

Pelley Says Roads Passed Three Tests

Traffic peaks in Fall of '39, summer troop movements and at present met successfully

For the third time since May, 1939, the railroads have successfully met the test of readiness and capacity precipitated by unusual season and defense traffic, according to J. J. Pelley, president of the Association of American Railroads, before the Transportation Luncheon of the Illinois Chamber of Commerce at Chicago on October 10. "In May, 1939," Mr. Pelley said, "the railroads of the United States were asked about their readiness. We reported then that the railroads had ample line-haul capacity between terminals; that they had ample terminal capacity, provided that freight be unloaded promptly upon arrival; that with this capacity on the line and in terminals, they could handle 25 per cent more business than was moving at that time; and that upon the completion of an extensive program of repairing equipment they could handle 45 per cent more.

"The first test of that estimate of what the railroads could do came in September and October of 1939. The usual fall increase in business, plus the buying rush that started with the outbreak of war in Europe, caused the sharpest, fastest rise in freight traffic ever recorded. At the peak of that rise, in October, 1939, although the program of equipment repair was then far from complete, the railroads were handling not 25 per cent more business than in May, and not 45 per cent more, but actually 55 per cent more. And they were doing it without congestion, delay or car shortage.

"Again, this year the railroads met another test of their readiness and capacity. During the recent maneuvers in August, in close co-operation with the army, 150,000 men were handled in three days at an average of 50,000 per day, an increase of 13,000, or 35 per cent, over the average daily movement of troops in July, 1918, the peak month of the World War troop movement.

"And right now in this autumn of 1940 the railroads are once again proving that they can handle the demand for transportation. Railroads cannot go on a delayed delivery basis when the rush comes, as most other industries do as a matter of course. That is as it should be. It is the business of railroads to handle transportation currently, and that's what they are doing.

"The railroads are ready because, ever since the last war, they have been improving their plant, bettering their organization, and increasing their efficiency.

"They have 628,000 fewer cars than they had in the war year of 1918, it is true; but today's cars average nearly 20 per cent bigger than those of 1918, and are so much better in other ways that it is hard to compare them. The railroads have 22,000 fewer locomotives than they had then, but today's locomotives have nearly half again as much pulling power, and have gained

even more in efficiency in moving heavier loads at higher speeds.

"These cars and locomotives run on better tracks and through better terminals. How much better plant and equipment are than they were in 1918 is indicated by the fact that today's freight trains are nearly two-thirds faster, on the average, than those of 1918, and that they turn out more than twice as much transportation service per hour, on the average, than they did then.

"The ability of the railroads to do these things is not the result of any sudden discovery of the need for preparedness, or any sudden spurt of effort in that direction. It is the result of preparedness which began twenty years ago and which has been continued, with unremitting attention, to the very best of our ability ever since that time. It is preparedness not only for the exceptional demands of national defense, but also for the day-by-day flow of commerce on which our national strength depends.

"Just in the past twelve months, as an example, here is what the railroads have done to keep themselves ready to meet the demands of commerce. Between September 1, 1939, and September 1, 1940, they reduced the ratio of bad order freight cars from 13.8 per cent to 8.6 per cent. In the same twelve months they placed in service 54,615 new freight cars. The combined result was an increase in the supply of serviceable cars from 1,425,820 on September 1, 1939, to 1,503,055 on September 1, 1940, and the supply of serviceable freight cars continues to increase."

New York's Truck Strike Ends

Some 1,500 over-the-road truck drivers working out of New York City returned to work on October 15 after the members of the Highway Transportation Association and Local 807 of the International Brotherhood of Teamsters signed an agreement on October 14. The new contract brought to a close a walk-out which began on October 7, involving both intercity and local drayage operations. Local drivers returned to work on October 10, as was reported in last week's *Railway Age*, page 522.

No Study-Board Until After Election

Appointment of the three-member transport study board called for in the Transportation Act of 1940 will perhaps be delayed at least until mid-November in view of President Roosevelt's October 15 statement to the effect that all pending appointments calling for Senate confirmation will be thus deferred. The President made the statement in reply to a question at his Tuesday press conference, although the question was asked about an appointment other than those of the study-board members.

He said that he doubted very much if there will be any nominations sent up until the Senate returns with a quorum. That event, as noted elsewhere in this issue, is not expected to occur until after election; since both branches of Congress are now operating under a program calling for a series of three-day recesses, with tacit understandings that no business will be transacted during the period of such recesses.

Would Approve Big Trucking Merger

But proposed report also tells I. C. C. to impose "labor protection" conditions

Subject to conditions, one of which calls for the acceptance of "labor-protection" provisions for the employees affected, J. Edward Davey, chief of the Bureau of Motor Carriers' Section of Finance, has recommended in a proposed report that the Interstate Commerce approve in part applications of the Transport Company of New York for authority to acquire various motor carriers operating over a network of routes extending along the Atlantic seaboard from Massachusetts to Florida and into Ohio, West Virginia, Tennessee, Louisiana and Alabama. The applications were filed under former section 213 (the consolidation provisions) of the Motor Carrier Act; but the proposed report comes under section 5 of Part I where the Transportation Act of 1940 put new consolidation provisions applicable to all carriers subject to I. C. C. regulation.

The "Notice to Parties" calls attention to that situation, noting that unlike proposed reports under the Motor Carrier Act, the Davey recommendations "in no event will become effective by operation of law. . . . In due course final report and order of the commission will be issued."

Generally speaking the applications sought authority to control some 56 companies (some of them subsidiaries of the others) which reported aggregate 1939 operating revenues of \$38,624,000 and net operating revenues of \$2,556,000. Also, a supplemental application, which Mr. Davey would deny, sought additional authority to effectuate, through consolidation, merger, or otherwise, singleness of title to the operating rights of the motor carriers involved, after exercise of the control authority sought in the original applications.

The 56 companies sought to be acquired were divided into 39 over-the-road companies and 17 rental companies. They own and operate in the aggregate more than 10,000 vehicles and all except one operate more than 20 vehicles. None of the rental companies transports passengers or property in interstate commerce; their business consists of renting trucks and passenger cars to individuals and business concerns for a stipulated consideration. Among the over-the-road companies, Mr. Davey found a group which conduct contract-carrier operations, or whose status as a common or contract carrier has not been determined. Because "unification of control in applicant of competitive common and contract-carrier operations would not be consistent with the public interest," he made his findings accordingly.

Thus the Section of Finance chief's recommended findings may be summarized as indicated in the following. He would conditionally approve the acquisition by Transport Company of: Arrow Carrier Corporation, Paterson, N. J.; Atlantic States Motor Lines, Inc., High Point, N. C.; Barnwell Brothers, Inc., Burlington, N. C.;

Brooks Transportation Company, Inc., Richmond, Va.; Consolidated Motor Lines, Inc. (Connecticut corporation), Hartford, Conn.; Davidson Transfer & Storage Company, Baltimore, Md.; Hampton Roads Transportation Company, Norfolk, Va.; Wright Line, Norfolk, Va.; Horton Motor Lines, Inc., Charlotte, N. C.; Kirby & Kirby, Inc., Trenton, N. J.; M. & M. Transportation Company, Somerville, Mass.; McCarthy Freight System, Inc., Taunton, Mass.; Middlesex Transportation Company, New Brunswick, N. J.; M. Moran Transportation Lines, Inc., Buffalo, N. Y.; Mundy Motor Lines, Roanoke, Va.; Niagara Motor Express, Inc., Syracuse, N. Y.; Pyramid Motor Freight Corporation, New York; Rutherford Freight Lines, Inc., Bristol, Va.; Shein's Express, Inc., Trenton, N. J.; Smith and Solomon Trucking Company, New Brunswick, N. J.; Southeastern Motor Lines, Inc., Bristol, Va.; Super Service Motor Freight Company, Nashville, Tenn.; Transportation, Inc., Atlanta, Ga.; York Motor Express, York, Pa.

Because of the aforementioned contract-carrier angle, Mr. Davey would have the commission deny the applications insofar as they seek authority to acquire the following companies: Branch Motor Express Company, New York; Freedman Motor Service, Inc., Elizabeth, N. J.; Miller Transport Company, Philadelphia, Pa.; Motor Haulage Company, Inc., Brooklyn, N. Y.; New York & New Brunswick Auto Express Company, Highland Park, N. J.; United-Arbour Express, Inc., Hartford, Conn.

Other companies involved in the transaction are found by Mr. Davey to be without the status of carriers coming within the act's consolidation provisions, and thus no I. C. C. authority is required for their acquisition. The proposed report would, therefore, dismiss the applications insofar as they seek authority to acquire the following: Barnwell Warehouse & Brokerage Company (a Barnwell Brothers, Inc., affiliate), Burlington, N. C.; Brown Equipment & Manufacturing Company and Conger Realty Company (Horton affiliates), Charlotte, N. C.; Consolidated Motor Lines, Inc. (Massachusetts corporation), West Springfield, Mass.; six Hertz Drivurself companies; Jay Bee Corporation (a Shein affiliate), Trenton, N. J.; Metropolitan Distributors, Inc., of New York and seven of its affiliates; U-Dryvit Auto Rental Company, Inc., of Cambridge, Mass., and two affiliates.

With respect to financing the acquisitions, Mr. Davey suggested that the exercise of authority proposed to be granted in his report should be conditioned upon the applicant's first securing the requisite authority for financing the transactions involved. "Nothing herein," he went on, "is to be construed as an expression of opinion on issues which may arise in connection with applications which may be filed under section 214 with reference to financing . . ." Excluding the contracts covering the acquisition of those companies with respect to which denial of the applications is recommended, and the transactions found outside the commission's jurisdiction, the aggregate basic consideration (subject to certain adjustments) provided for in the

remaining contracts is \$17,588,873.85. This is about 2.86 times the tangible property valuation; but the proposed report would have it approved after a reduction brought about by agreement on the part of Transport Company's organizers to limit their compensation to 10 per cent of the applicant's stock. The organizing group is headed by Kuhn, Loeb & Company, New York; and the original contracts fix commissions which would have amounted to approximately 11.8 per cent.

Although notice of the hearings was served on the governors and public service commissions of 32 States and the District of Columbia, 427 rail carriers, 72 water carriers, and 14,112 trucking companies, the applications were opposed by only two interveners — the Traffic Bureau of the Lynchburg, Va., Chamber of Commerce and the International Brotherhood of Teamsters, Chauffeurs, and Helpers of America. Neither introduced evidence, but the Teamsters nevertheless won their point when Mr. Davey recommended the aforementioned "labor-protection" provisions. The conditions would not be as tough as merging railroads would get under the Harrington amendment, but they are patterned somewhat after the Washington Agreement. They would require that Transport Company file with the I. C. C. a written acceptance of the following:

(a) No employee of a carrier who is continued in service in the same position he occupied during the month of September, 1940, shall, for a period of two years from the latest date on which any of the transactions herein authorized is consummated, be placed in a worse position with respect to compensation and rules governing working conditions than he occupied during that month.

(b) Any employee of a carrier, with service of one year or more, who is retained in service, but in a position with a carrier yielding less monthly compensation than the average monthly compensation yielded by the position occupied by said employee during the 12 months preceding October, 1940, shall be entitled to a monthly allowance equal to the difference in such monthly compensation, while such situation shall continue but not longer than during all or that portion of a period expiring one year from the latest date on which any of the transactions herein authorized is consummated.

(c) Any employee of the carriers (except those with less than one year of service) who, within eighteen months from September 30, 1940, is deprived of employment, hereinafter designated as a dismissed employee, because of a reduction in the aggregate number of employees of all of said carriers, shall be accorded a monthly allowance, designated a dismissal allowance, based on length of service, and equal to 60 per cent of the average monthly compensation of said dismissed employee during the 12 months of his employment preceding October, 1940. This allowance shall be made to each eligible employee during the period beginning with the date he is deprived of employment and shall be payable in monthly installments for a length of time determined and limited by the following schedule:

Length of service	Period of Payment
1 year and less than 2 years	6 mo.
2 years and less than 3 years	8 mo.
3 years and less than 4 years	10 mo.
4 years and over	12 mo.

In determining length of service, service of employees with any of the predecessors of the carriers shall be included. A dismissal allowance shall cease prior to the expiration of the prescribed period in the event of failure of the employee, without good cause, to return to service after being notified by any of the carriers of a position for which he is eligible, and the dismissal allowance of any dismissed employee who is subsequently reemployed by the carriers shall be reduced to the extent that his monthly earnings in such reemployment plus his dismissal allowance exceed the amount upon which his dismissal allowance is based. If a dismissed employee obtains employment with a person other than the carriers, his monthly dismissal allowance shall be reduced during the period of such employment by an amount equal to 60 per cent of the amount of his monthly compensation in such new position.

(d) Any employee retained in the service of the carriers, or restored to service from the group of employees entitled to receive a dismissal allowance, who is required within eighteen months from

the latest date on which any of the transactions herein authorized is consummated to change the place of his employment and to move his place of residence, shall be reimbursed by the carrier with which he is to be employed at the new place of employment for expenses of moving his household and other personal effects and for the traveling expenses of himself and his immediate family.

Leading up to his setting forth of these recommended conditions, Mr. Davey had asserted that "the welfare of the employees affected by these transactions is unquestionably a matter affecting the public interest which the commission must consider." He cited the rewriting by the Transportation Act of 1940 of the consolidation section which now "specifically provides that the commission shall give weight, among other things, to the interest of the carrier employees affected." Also cited is the Rock Island case (United States v. Lowden, 308 U. S. 225) wherein the Supreme Court upheld the commission's action in requiring labor-protection provisions in connection with a railroad consolidation. "The commission's power to impose appropriate conditions can no longer be doubted," said Mr. Davey. "Indeed, under section 5, as amended (by the Transportation Act of 1940), the commission is required to do so in connection with railroad unifications. On the other hand, with respect to motor carrier unifications, section 5, as amended, makes no such requirement, and it is left to the discretion of the commission, upon consideration of all the facts, to determine what, if any, conditions should be imposed in a particular case. . . . In this particular case, considering the large savings which would result from the proposed common control, it seems reasonable to require applicant to devote a part of such savings by way of compensation to employees who may be adversely affected and to cushion the shock which would result from the loss of employment."

Incidentally all except four of the purchase contracts include employment agreements to protect the jobs of the "principal officers" of the companies involved. The proposed report would permit the execution of all except one of such employment agreements; it would require that one to be modified.

The proposed report as a whole covers 93 mimeographed sheets, in addition to appendices where financial data and other pertinent statistics are set forth. Before getting into his discussion of the "labor-protection" angle, Mr. Davey had considered in turn the operations of the companies involved, terms of the proposed acquisitions, questions of I. C. C. jurisdiction, the financial structure and earnings of the companies and the effect of the proposed transactions in general. In the latter connection the proposed report's conclusion was: "The rendition of improved transportation service at lower cost is in the public interest, as is also the establishment of financially-sound motor-carrier operations."

Next, after disposing of the dual-operations phase, Mr. Davey came to the question of whether or not consummation of the proposed transactions would result in undue restraint of competition, as contended by the Traffic Bureau of the Lynchburg, Va., Chamber of Commerce. From his examination of the competitive situation by geographic areas, the Section of Finance chief came to the conclusion that

the proposed unification would not result in an undue restraint of competition.

"The foregoing," (i.e., the consideration of competition by geographic areas), he said, "indicates there is a plethora of competition in the New England and Middle Atlantic regions. While, relatively, the competitors that would remain in the Southern region are considerably fewer in number, this is to be expected in view of the longer distances involved and the less-thickly populated areas served. It appears that, if the proposed unification were consummated, there would remain outside of applicant's control one to several Class I carriers rendering one-line service between all of the principal points. Moreover, strong competition would be furnished by rail carriers, and additional competition would be afforded . . . by Class II and Class III motor carriers, and by two-line service rendered by a combination of Class I motor carriers in the territory." In other words, "rail carriers and motor carriers not involved in the transactions would afford adequate competition for the protection of the public interest."

Remaining sections of the proposed report embrace discussions of such aforementioned phases of the case as the reasonableness of the considerations, the employment agreements, and the supplemental application for authority to effectuate singleness of title, which Mr. Davey would have the commission deny. With respect to the latter the proposed report said that no definite plan had been presented or formulated, adding that the commission should not grant *carte blanche* authority on this "singleness of title" matter. However, Mr. Davey would have the acquisition applications approved subject to a general condition that the applicant agree to abide by any subsequent findings of the commission with respect to unification of the properties and operating rights; and that it meanwhile file "an appropriate application" seeking authority to effect unifications to the end that "no two of the corporations under common control shall engage in, or be authorized to engage in, motor vehicle operations over the same routes or in the same territory."

I. C. C. Refuses to Reopen Southern Tidewater Coal-Rate Case

The Interstate Commerce Commission has refused to reopen the No. 27669 proceeding wherein its six-to-five decision made public last April dismissed the complaint of the so-called Property Owners' Committee and found that rates on bituminous coal from mines in Southern West Virginia, Virginia and Eastern Kentucky to Hampton Roads are not unreasonable. The commission's decision was reviewed in the *Railway Age* of April 6, page 639.

G. M. & O. Affiliate Gets Truck Lines

Gulf Transport Company, affiliate of the Gulf Mobile & Ohio, has been authorized by the Interstate Commerce Commission, Division 4, to purchase two motor truck lines. The lines are that of W. B. Crane of Mobile, Ala., doing business as the Crane Transportation Company, between Mobile and West Point, Miss.; and that

of Oscar Eugene Howard of Bayou La-batre, Ala., between Mobile and Coden, Ala.

Hambro Elected Chairman of G. W. R.

Charles J. Hambro, present-generation representative of the notable Hambro banking family, which financed many railroads on the Continent in the last century, has been elected chairman of the British Great Western, succeeding the late Lord Horne, whose death was reported in the *Railway Age* of October 5, page 487. Mr. Hambro, who is 43 years of age, has been connected with the family business—Hambro's Bank—since the war and is now a managing director. He first became connected directly with the railroad business in 1930, when he joined the board of the Great Western and in 1932 was appointed deputy chairman of the same road.

Denies Petitions Asking Changes in General Investigations

The Interstate Commerce Commission has denied a petition wherein the Southeast-Southwest Shippers' Conference sought a modification of the scope of the pending general rate and classification investigations to exclude all carload rates regardless of how published and to restrict the investigations to less-than-carload rates and ratings. The order denying the petition applies to all three of the proceedings—No. 28300, Class Rate Investigation, 1939; No. 28310, Consolidated Freight Classification; and No. MC-C-150, Motor Freight Classification.

Meanwhile another order in No. 28300 denies a petition wherein the East Tennessee Border Traffic Association requested the exclusion of the East Tennessee area.

Southern Roads to Reduce Short Haul Class Rates

The Southern Freight Association has announced that member roads have decided to make reductions in standard class rates between points in Southern territory up to and including 190 miles distant. In effect the reductions will comprise a general application of a new scale recently prescribed by the Interstate Commerce Commission for application intrastate in North Carolina.

According to J. G. Kerr, chairman of the Southern Freight Association, the reduced rates will be helpful in meeting truck competition, since the motor carriers do not generally base their charges on the railroad class rates in North Carolina, Tennessee and Georgia.

The reductions in first class range from 1 to 7 cents. Related charges will be made in other class rates, and carload and less-carload rates related by percentage to first class rates will be likewise reduced for these distances.

The new scale of rates was originally prescribed under the title "Appendix D Scale" by the I. C. C. for application between points in Southern Virginia and North Carolina in N. C. C. C., 213—I. C. C.—259. In Docket 27900 (decided April 8, 1940) the I. C. C. denied the State Utilities Commission's application for a

still lower scale intrastate and prescribed the Appendix D scale therefore.

A comparison of the old and new first-class rates follows:

Miles	Present K-2 scale	Appendix D or revised Southern scale
10	40	40
15	43	42
20	45	44
25	48	46
30	51	48
35	54	51
40	56	53
45	59	55
50	62	57
55	65	59
60	67	62
65	70	64
70	73	66
75	75	68
80	77	70
85	79	73
90	80	75
95	81	77
100	84	79
110	87	83
120	90	86
130	94	89
140	97	92
150	100	96
160	103	99
170	106	102
180	108	106
190	110	109

Gormley Says Carriers Could Handle Double Present Export Traffic

Belief that the railroads, in co-operation with port authorities, shippers and steamship companies, could "without difficulties" handle twice as much export traffic as is now being moved at Atlantic and Gulf ports, was expressed by M. J. Gormley, executive assistant, Association of American Railroads, in an address before the Association of Marine Terminal Operators at Atlantic ports in New York on October 18. Mr. Gormley pointed out that the volume of export freight handled at the port of New York has approximated 85 per cent of the peak of volume of the World War, yet at all times there has been a surplus for handling traffic through the ports. In contrast, he reminded his hearers, embargoes on such freight were in effect during the World War and at one time permits were outstanding for over 20,000 cars.

Equipment Installed and on Order

Class I railroads in the first nine months of 1940 put in service 52,685 new freight cars, according to the Association of American Railroads. In the same period last year, 14,704 new freight cars were put in service.

Of the total number of new freight cars installed in the first nine months of this year, there were 26,528 box, 23,660 coal, 759 flat, 645 refrigerator, 387 stock and 706 miscellaneous cars.

The railroads also put in service in the first nine months this year 265 new locomotives, of which 73 were steam and 192 electric and Diesel-electric. Installed in the first nine months last year were 202 new locomotives of which 45 were steam and 157 electric and Diesel-electric.

New freight cars on order on October 1, amounted to 16,892, compared with 18,456 on September 1, and 23,053 on October 1, 1939. New cars on order on October 1 this year included 9,423 box, 7,364 coal, eight stock, and 97 flat cars. Class I railroads on October 1 this year also had 215 new locomotives on order, of which 130 were steam and 85 electric and Diesel-electric.

On September 1, there were 179 new locomotives on order, of which 114 were steam and 65 were electric and Diesel-electric. New locomotives on order on October 1, last year totaled 108, which included 68 steam and 40 electric and Diesel-electric.

Freight cars and locomotives leased or otherwise acquired are not included in the above figures.

Club Meetings

The Traffic Club of Wilmington, Del., will hold "Railway Express Night" at the Chamber of Commerce rooms, Sixth and Market streets, Wilmington, on October 23. J. J. Boylan, assistant general sales manager, Railway Express Agency, New York, will present an address entitled "Transportation Plus," and W. A. Rogers, air consultant, Railway Express Agency, will present two voca-films describing the services of the Railway Express Agency and the operations of air express.

The Railway Club of Pittsburgh, Pa., will hold its annual meeting at the Fort Pitt hotel, Pittsburgh, on October 24, at 8 p. m. The program for the evening includes election of officers, smoker and entertainment. A special dinner for members and guests will be served at the hotel at 6:30.

The New England Railroad Club will hold its next meeting at the Hotel Touraine, Boston, Mass., on November 12. The meeting will start with a dinner at 6:30. Southworth Lancaster, division freight agent, Boston & Albany, and a major in the Field Artillery Reserve, will present a paper entitled, "If the Railroads Join the Army."

September Employment 4.49 Per Cent Above Last Year

Railroad employment increased another 0.68 per cent—from 1,059,364 to 1,066,612—during the one-month period from mid-August until mid-September, while the September total was 4.49 per cent above that for September, 1939, according to the Interstate Commerce Commission's compilation based on preliminary reports. The index number, based on the 1923-1925 average and corrected for seasonal variation, stood at 58.5 for September, the highest on the statement which gives the indexes back to January, 1938.

The index number for August was 57.9, while that for September, 1939, was 56. September employment was slightly above that of August in all groups, save those embracing executives, officials and staff assistants (down 0.12 per cent), and professional, clerical and legal (down 0.03 per cent). Meanwhile all groups showed increases above September, 1939, the largest rise being in the maintenance of equipment and stores group, which was up 7.37 per cent. Next in turn came maintenance of way and structures, up 5.99 per cent; yardmasters, switchtenders and hostlers, up 4.04 per cent; and train and engine service, up 3.87 per cent.

Would Probe New Wage Plan for Red Caps

Practices adopted by railroads and terminal companies as a result of the application of the minimum-wage provisions of

the Fair Labor Standards Act to "red caps" would be investigated by the Wage and Hour Division of the Department of Labor if the Senate should adopt Senate Resolution 325 submitted on October 14 by Majority Leader Barkley for Senator Thomas, Democrat of Utah.

The resolution, which was referred to the Senate committee on education and labor, would require the Administrator of the Wage and Hour Division to report to the Senate on the extent to which the plan of paying wages to "red caps" and collecting ten cents per bag for their service violates "the letter or the spirit of the Fair Labor Standards Act or other federal statutes"; the extent to which the plan, or variations thereof, is subject to regulation under the Fair Labor Standards Act in its present form; and what legislation, if any, should be enacted for the purpose of regulating the plan.

Among other similar assertions, the resolution's "whereases" speak of "complaints that under the new plan . . . many red caps have been discharged or otherwise discriminated against because of failure to earn by said charge of 10 cents per bag or parcel sums sufficient to cover the cost to the companies of the minimum-wage payments."

Would Leave Burlington Affiliate on Salt Lake-Frisco Bus Route

Joint Board No. 30, composed of Warren K. Brown of California, C. B. Sexton of Nevada, and Walter K. Granger of Utah, has recommended that the Interstate Commerce Commission grant a common-carrier certificate to the Burlington Transportation Company, affiliate of the Chicago, Burlington & Quincy, authorizing the continuance of bus operations between Salt Lake City, Utah, and San Francisco, Calif. The joint board would also authorize the applicant to transport mail in the same vehicle with passengers and to furnish special-party or chartered services.

Although the route involved was not established in time to make the applicant eligible for "grandfather-clause" rights, it was inaugurated prior to October 15, 1935 (on September 29, 1935); and thus continuance of the operation was permitted pending determination of the application for a certificate. Meanwhile the applicant has "grandfather-clause" certificates for operations extending from Chicago to Los Angeles, Calif., via Salt Lake City. Prior to the establishment of the Salt Lake City-San Francisco extension, the applicant interchanged passengers at Salt Lake City with the Pacific Greyhound Lines, affiliate of the Southern Pacific; but the Burlington regarded that situation as unsatisfactory in view of the exclusive interchange agreement between Pacific Greyhound and Interstate Transit Lines, affiliate of the Union Pacific and the Chicago & North Western.

"The real import of the exclusive interchange agreement," says the joint board, "is clearly demonstrated by the fact that from the latter part of December, 1934, until September, 1935, when applicant instituted operations here under consideration, applicant turned over to Greyhound 571 passengers and received in return 23 passengers." Moreover, the report notes that

Burlington Transportation is a member of the National Trailways group, "formed to compete with the Greyhound System," and the Salt Lake City-San Francisco route "forms an important link between that system's operations in the East and points on the Pacific Coast."

Pacific Greyhound was the principal protestant, and it introduced in evidence a proposed offer intended to open the Salt Lake City gateway. "The offer," the joint board says, "was rejected in its entirety by applicant who points out that it is hardly conceivable, under the circumstances, that representatives of Pacific Greyhound would exercise impartiality between Interstate Transit Lines and applicant."

Summing up after completing its discussion of the issues and the evidence, the joint board found the record "convincing that the proposed operation will serve a useful public service that is responsive to a general public need."

Chicago Car Foremen Elect Officers

At the annual meeting of the Car Foremen's Association of Chicago, held at the La Salle Hotel, Chicago, on October 4, the following officers were elected for the ensuing year: President, C. A. Erickson, general A. A. R. inspector, Chicago & North Western, Chicago; first vice-president, M. J. Mills, general car inspector, Pere Marquette, Grand Rapids, Mich.; second vice-president, H. B. Atherton, car foreman, Chicago Great Western, Chicago; treasurer, C. J. Nelson, superintendent, Chicago Car Interchange Bureau, Chicago; secretary, Geo. K. Oliver, assistant passenger car foreman, Baltimore & Ohio Chicago Terminal, Chicago.

By virtue of his election to the presidency, Mr. Erickson becomes chairman of the board of directors. Other members of the board include: John Uhrig, master mechanic, Belt Railway of Chicago, Chicago; F. A. Shoulty, assistant superintendent car department, Chicago, Milwaukee, St. Paul & Pacific, Milwaukee, Wis.; F. L. Kartheiser, chief clerk-mechanical, Chicago, Burlington & Quincy, Chicago; William Hartnett, general car foreman, Chicago & North Western, Milwaukee, Wis.; J. S. Acworth, supervisor of equipment, General American Transportation Corporation, Chicago; C. W. Broo, general car foreman, New York, Chicago & St. Louis, Chicago; C. O. Young, chief clerk-mechanical, Illinois Central, Chicago; F. R. Callahan, superintendent of yards, Pullman Company, Chicago; R. R. Hawk, superintendent of car lines, Wilson Car Lines, Chicago; A. E. Smith, vice-president, Union Tank Car Company, Chicago; K. A. Milar, Milar & Company, Chicago; and W. J. Demmert, sales engineer, Griffin Wheel Company, Chicago.

Budd Announces Co-ordinated Warehousing Program

Ralph Budd, transportation member of the National Defense Advisory Commission, this week announced that a coordinated warehousing program is being undertaken by the commission. Under the program, existing warehouse space will be used first. Next, existing buildings suitable for warehouse purposes will be utilized; while, in

emergencies, where private facilities cannot be provided, the government may have to undertake construction.

The commission's transportation division will work with the Army and Navy and other government agencies in warehousing projects for the defense program. Harry D. Crooks, of Chicago, president of Crooks Terminal Warehouses, Inc., has been appointed Mr. Budd's consultant on warehouse activities. Mr. Budd's statement revealed that a survey of all existing warehouse facilities now available will soon be made. It added: "adequate facilities are essential if freight cars, ships, and trucks are to be unloaded speedily and kept in service. During 1917-18 there were serious tie-ups due to the fact that freight cars were used for storage."

Rail Men in Scrap Conference With Defense Commissioners

Following the meeting with representatives of the steel industry and the scrap iron and steel dealers held on October 8, Leon Henderson and E. R. Stettinius, Jr., members of the National Defense Advisory Commission, met on October 16 with representatives of the leading scrap suppliers—the railroads, and agricultural implement, automotive, electrical and machine tool manufacturers. A Defense Commission statement said that those present at the meeting were "unanimous in their opinion that, as large steel purchasers, they had no interest in seeing scrap prices rise to the extent that would make it necessary to increase the price of steel."

"Surveying the supply situation," the statement went on, "they agreed that the tendency should be for a normal increase in supply of scrap for 1941 over that of this year. At the suggestion of the scrap makers, the Defense Advisory Commission is augmenting its studies of the supply situation with a view to the possibility of increasing supplies of heavy melting scrap by the wider use of large hydraulic presses for compressing lighter gauge materials, such as automobile bodies, into heavy melting scrap form. Such presses represent substantial capital investment but permit preparation of scrap in a form more acceptable to the steel makers."

"Those present concurred in the opinion expressed at the session held a week earlier, that the indications are that necessary supplies will be available at prices not out of line with those which have prevailed in recent years, during which large quantities of scrap were in demand. In furthering this opinion, the scrap suppliers all agreed that the situation was not similar to that which prevailed in the middle of 1936 when steel makers, short of inventories, were bidding frantically for scrap. They also agreed that the market is orderly at this time and that there is no indication of a further sharp rise in prices."

Following the meeting today Mr. Henderson said that all the conferees were "most cooperative in their desire to prevent a rising price spiral for iron and steel." Railroad men attending the meeting were: Col. C. D. Young, vice-president and D. J. Lanmeck, purchasing agent, Pennsylvania; W. C. Bower, vice-president, New York Central; G. O. Beale, chief purchasing

and stores officer and J. L. Quarles, general store keeper, Chesapeake & Ohio; J. H. Lauderdale, general purchasing agent, Missouri Pacific; E. S. Jamieson, assistant purchasing agent, Union Pacific; B. B. Melgaard, assistant purchasing agent, Chicago, Milwaukee, St. Paul & Pacific; L. H. Skinner, Southern; H. P. McQuilkin, assistant purchasing agent, Baltimore & Ohio.

July's Net Income Was \$16,042,301

Class I railroads reported for July a net income after fixed charges of \$16,042,301, as compared with a net income of \$6,766,805 in July, 1939, according to the Inter-

state Commerce Commission's monthly compilation of selected income and balance sheet items. The year's first seven months showed a net income of \$4,508,677 as compared with a net deficit of \$83,256,889 for the first seven months of 1939.

Sixty-three roads reported net incomes for July, while 66 reported net deficits; in July, 1939, there were 58 net incomes and 71 net deficits. For this year's first seven months 58 reported net incomes and 71 had net deficits, as compared, respectively, with 50 net incomes and 79 net deficits in the first seven months of 1939. The consolidated statement and that showing net incomes or deficits of roads having

SELECTED INCOME AND BALANCE-SHEET ITEMS OF CLASS I STEAM RAILWAYS

Compiled from 132 Reports (Form IBS) Representing 137 Steam Railways

(Switching and Terminal Companies Not Included)

TOTALS FOR THE UNITED STATES (ALL REGIONS)

For the month of July		For the seven months of	
1940	1939	1940	1939
\$57,104,166	\$48,996,614	\$299,536,221	\$214,619,830
12,960,040	12,001,399	82,422,056	78,895,362
70,064,206	60,998,013	381,958,277	293,515,192
1,735,270	1,901,655	14,746,881	13,730,596
68,328,936	59,096,358	367,211,396	279,784,596
11,716,478	11,679,323		
38,492,305	38,557,006		
119,575	132,058		
50,328,358	50,368,387		
18,000,578	8,727,971		
1,958,277	1,961,166		
16,042,301	6,766,805		
17,190,956	16,792,736		
5,914,332	2,661,534		
4,655,014	2,616,241		
2,442,081	764,962		
		Income Items	
		1. Net railway operating income	\$299,536,221
		2. Other income	82,422,056
		3. Total income	381,958,277
		4. Miscellaneous deductions from income	14,746,881
		5. Income available for fixed charges	367,211,396
		6. Fixed charges:	
		6-01. Rent for leased roads and equipment	78,856,092
		6-02. Interest deductions ¹	269,197,267
		6-03. Other deductions	896,208
		6-04. Total fixed charges	348,949,567
		7. Income after fixed charges	18,261,829
		8. Contingent charges	13,753,152
		9. Net income ²	4,508,677
		10. Depreciation (Way and structures and equipment)	119,246,462
		11. Federal income taxes	27,585,007
		12. Dividend appropriations:	
		12-01. On common stock	41,441,244
		12-02. On preferred stock	12,010,903
		Balance at end of July	
		1940	1939
		\$595,067,688	\$636,302,963
		Selected Asset Items	
		13. Investments in stocks, bonds, etc., other than those of affiliated companies (Total, Account 707)	\$595,067,688
		14. Cash	498,377,149
		15. Demand loans and deposits	30,703,583
		16. Time drafts and deposits	27,020,449
		17. Special deposits	112,712,851
		18. Loans and bills receivable	2,636,526
		19. Traffic and car-service balances receivable	65,589,880
		20. Net balance receivable from agents and conductors	48,837,606
		21. Miscellaneous accounts receivable	122,960,186
		22. Materials and supplies	347,513,676
		23. Interest and dividends receivable	17,675,563
		24. Rents receivable	1,052,723
		25. Other current assets	6,658,332
		26. Total current assets (items 14 to 25)	\$1,281,738,524
		Balance at end of July	
		1940	1939 ³
		\$73,659,774	\$166,623,678
		Selected Liability Items	
		27. Funded debt maturing within 6 months ⁴	\$73,659,774
		28. Loans and bills payable ⁴	160,622,073
		29. Traffic and car-service balances payable	83,729,982
		30. Audited accounts and wages payable	229,709,352
		31. Miscellaneous accounts payable	65,840,227
		32. Interest matured unpaid	22,047,632
		33. Dividends matured unpaid	5,043,111
		34. Unmatured dividends declared	6,554,772
		35. Unmatured interest accrued	79,487,026
		36. Unmatured rents accrued	18,826,843
		37. Other current liabilities	43,012,360
		38. Total current liabilities (items 28 to 38)	\$714,873,378
		39. Tax liability (Account 771):	
		39-01. U. S. Government taxes	94,347,843
		39-02. Other than U. S. Government taxes	150,883,979

¹ Represents accruals, including the amount in default.

² For 99 railroads not in receivership or trusteeship the net income or deficit was as follows: July 1940, \$23,176,183; July 1939, \$17,111,489; 7 months 1940, \$73,021,078; 7 months 1939, \$1,861,738.

³ Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report.

⁴ Includes obligations which mature not more than 2 years after date of issue.

⁵ 1939 figures for certain liability items have been revised, for comparative purposes, to conform with changes prescribed in the Uniform System of Accounts by Commission's order of December 6, 1939, effective January 1, 1940.

* Deficit or other reverse items.

NET INCOME OF LARGE STEAM RAILWAYS

(Switching and Terminal Companies Not Included)

Name of railway	Net income after depreciation		Net income before depreciation	
	For the seven months of 1940	1939	For the seven months of 1940	1939
Alton R. R.	\$1,185,360	\$963,301	\$1,033,634	\$813,489
Atchison, Topeka & Santa Fe Ry. System ⁴	2,284,448	1,321,806	9,242,865	8,217,558
Atlantic Coast Line R. R.	174,679	159,897	1,018,773	1,378,866
Baltimore & Ohio R. R.	949,809	6,370,938	3,257,367	2,183,706
Boston & Maine R. R.	118,286	619,769	965,711	284,192
Central of Georgia Ry. ²	1,460,699	1,718,869	963,168	1,222,084
Central R. R. of New Jersey ²	2,094,849	2,434,838	1,282,954	1,617,371
Chesapeake & Ohio Ry.	19,288,578	8,987,698	24,208,522	13,800,503
Chicago & Eastern Illinois Ry. ²	1,136,842	1,176,047	783,596	829,564
Chicago & North Western Ry. ²	6,763,368	10,056,426	3,868,915	7,167,000
Chicago, Burlington & Quincy R. R.	1,459,736	1,314,814	1,609,571	1,724,142
Chicago Great Western R. R. ²	666,444	560,928	338,536	247,523
Chicago, Milwaukee, St. Paul & Pacific R. R. ²	9,707,917	13,083,980	6,243,116	9,709,118
Chicago, Rock Island & Pacific Ry. ²	4,831,191	5,903,515	2,412,752	3,511,506
Chicago, St. Paul, Minneapolis & Omaha Ry.	1,923,429	2,263,138	1,592,362	1,924,714
Delaware & Hudson R. R.	752,824	505,841	1,369,233	1,097,236
Delaware, Lackawanna & Western R. R.	618,702	1,241,144	809,638	181,144
Denver & Rio Grande Western R. R. ²	3,475,324	3,881,010	2,749,504	3,175,876
Elgin, Joliet & Eastern Ry.	1,495,212	520,882	2,074,085	1,078,171
Erie R. R. (including Chicago & Erie R. R.) ³	1,719,611	3,194,009	406,579	1,049,937
Grand Trunk Western R. R.	329,142	1,921,189	362,535	1,241,353
Great Northern Ry.	561,334	2,989,486	2,715,393	840,041
Illinois Central R. R.	2,264,458	1,716,047	1,454,272	2,120,646
Lehigh Valley R. R.	580,274	957,511	636,593	277,385
Long Island R. R.	1,716,784	1,135,456	1,033,677	448,888
Louisville & Nashville R. R.	4,273,261	1,991,220	6,810,495	4,518,511
Minneapolis, St. Paul & Sault Ste. Marie Ry. ²	3,587,918	4,557,787	2,873,990	3,846,394
Missouri-Kansas-Texas Lines	1,919,904	2,153,128	1,227,911	1,373,478
Missouri Pacific R. R. ²	7,787,546	9,243,129	5,167,824	6,700,155
New York Central R. R. ⁵	92,602	9,242,920	9,197,385	5,276
New York, Chicago & St. Louis R. R.	687,863	149,829	1,614,140	764,984
New York, New Haven & Hartford R. R. ²	3,730,527	3,553,227	1,798,720	1,582,474
Norfolk & Western Ry.	18,485,303	11,416,421	22,115,073	14,357,657
Northern Pacific Ry.	2,757,975	5,688,829	787,035	3,715,593
Pennsylvania R. R.	14,675,452	5,919,491	30,429,490	21,322,180
Pere Marquette Ry.	196,362	892,707	1,524,553	487,485
Pittsburgh & Lake Erie R. R.	2,317,413	755,512	3,596,586	2,063,730
Reading Co.	2,864,469	1,633,623	4,642,476	3,448,378
St. Louis-San Francisco Ry. ²	5,783,846	6,549,640	4,007,751	4,758,409
St. Louis, San Francisco & Texas Ry.	165,797	86,761	165,658	86,275
St. Louis Southwestern Lines ²	395,267	1,555,484	24,390	1,194,869
Seaboard Air Line Ry. ¹	3,292,767	3,681,316	1,928,096	2,425,497
Southern Ry.	1,195,983	119,759	3,254,112	2,137,550
Southern Pacific Transportation System ⁶	3,722,576	2,056,136	904,764	2,533,973
Texas & Pacific Ry.	449,126	28,807	1,155,812	671,922
Union Pacific R. R. (including leased lines)	4,771,421	3,878,707	9,213,964	8,183,774
Wabash Ry. ¹	2,758,140	3,448,323	1,498,007	2,195,874
Yazoo & Mississippi Valley R. R.	475,214	560,140	187,926	283,141

¹ Report of receiver or receivers.² Report of trustee or trustees.³ Under trusteeship, Erie R. R. only.⁴ Includes Atchison, Topeka & Santa Fe Ry., Gulf, Colorado & Santa Fe Ry., and Panhandle & Santa Fe Ry.⁵ Includes Boston & Albany, lessor to New York Central R. R.

⁶ Includes Southern Pacific Company, Texas & New Orleans R. R., and leased lines. The report contains the following information: "Figures reported above for Southern Pacific Transportation System exclude offsetting debits and credits for rent for leased roads and equipment, and bond interest, between companies included therein. Operations for 1940 of separately operated Solely Controlled Affiliated Companies (excluding results for Southern Pacific Railroad Company of Mexico), not included in above statement, resulted in a net deficit of \$442,216 for the month and \$3,192,085 for the period. These results include \$213,426 for the month and \$1,483,269 for the period, representing interest on bonds of such companies owned by Southern Pacific Company not taken into income by S. P. Co. and, therefore, not included in the 1940 income results for the System reported above. The combined results for 1940 for Southern Pacific Transportation System and separately operated Solely Controlled Affiliated Companies (excluding S. P. R. Co. of Mexico) amounted to a net deficit of \$175,638 for the month and \$5,431,392 for the period. Figures herein given exclude results of S. P. R. Co. of Mexico for the reason that policy was adopted January 1, 1940, of making no further advances to that company, it being required to conduct its operations entirely within its own resources."

^{*} Deficit.

annual operating incomes over \$25,000,000 are given in the accompanying tables.

Alabama Railroads Get 13 Words, Inland Waterways 177, in C. of C. Resume'

President Ernest E. Norris of the Southern in a speech before the Alabama State Chamber of Commerce at Birmingham, Ala., on October 10, called attention to the fact that in a recent large special edition of the "Manufacturers' Record" on the resources of the South, the secretary of the Chamber used 13 words to cover Alabama's railroads and 177 words to describe Alabama's inland waterways. He also pointed out that in the same volume a similar article on Alabama's transportation facilities dismissed railroads with 37 words, skimmed over highway transportation with 34 and devoted 227 words (the rest of the chapter) to present and prospective inland waterways. Said Mr. Norris: "Could this

be a straw bending *against* the wind? Or should I keep my eyes steadily on Ben Russell's report last year—the part which said: 'The Alabama State Chamber of Commerce is deeply interested in the . . . operation of these [transportation] facilities on a basis of fair competition . . . ?'"

In the same speech, the Southern president said that in 1938 his railroad poured more than 20½ million dollars into Alabama, including purchases, payrolls and tax payments. In the same year, the gross revenue of the road in the state was slightly more than \$14,000,000. In other words, he said, in 1938 the system spent almost 6½ million dollars more in Alabama than it collected from the people in that state for services rendered. Speaking of fair competition in transportation, Mr. Norris expressed the belief that it is far more than "a mere side issue"; that it is fundamental and important "for many reasons far beyond the natural desire of the railroads

for a square deal." In his opinion, the principle illustrates the degree of sincerity of belief in the American way of life.

He concluded with a request that his hearers support the railroads "in every honest effort to improve their services, to make a fair profit, and to do that part of the transportation job that they can do more efficiently and more economically than any other form of transport ever devised by man."

R. E. A. Launches New Safety Program

The Railway Express Agency has inaugurated a new and broader safety program which adds educational technique to the campaign it has been pursuing heretofore. Some 60,000 employees of the agency throughout the country will actively participate in the new plan and select local safety committees to carry it forward.

While the new safety plan will embrace men employed in terminals and depots, on station platforms and in garages, the truck drivers will receive special attention. Bad driving practices will be carefully watched and causes of accidents reported will be studied, to effect their correction and elimination. Before new men selected for vehicle operation are assigned, they will undergo special training and be required to pass standardized driving tests. Before a driver is placed in charge of a new-type vehicle, he will likewise be called upon to demonstrate his familiarity with all of its features.

Many classes will be maintained for new and the older employees at all major points and demonstrations will be made on how various types of work in terminals, on vehicles, in train service can be carried on with a minimum of hazard to the employee. Illustrated manuals will be issued to provide safety rules for all classes of employment. Local committees of employees will be established to analyze the causes of vehicle mishaps reported and to remove all conditions which they find in any way jeopardize the safety of the public or personnel.

N. & W. Tells Tale of a Branch

The Norfolk & Western has prepared a 22-page illustrated booklet in glossy paper which tells the dramatic story of rehabilitation of the 55-mi. Abingdon Branch, from Abingdon, Va., on the main line to West Jefferson, N. C., after its destruction by the worst flood in the history of the region in the latter part of August. The booklet recalls that nearly one-half of the bridges on the branch were completely washed away or severely damaged; the roadbed was undermined; tracks were twisted; ties were upended and swept hundreds of feet away from the roadbed by high waters.

What did the Norfolk & Western do? Before the rain had stopped, its engineers were on the job surveying the wreckage. M. of W. men, road gangs, carpenters and bridge workers were rushed to the scene. Even extra workers were hired among the communities along the line. The road expected that the branch would be completely rebuilt and railroad service resumed by October 1.

The booklet points out that the rebuilding of the branch means the expenditure of tens of thousands of dollars, although earnings from it "are practically zero." Restoration of service on the branch will mean the continuance of salaries and wages paid to employees of about \$40,000 a year and of taxes amounting to \$15,000 a year paid to towns and counties traversed by the line. Parallel highways which were built by taxpayers money were also destroyed by the flood. "Are the highway carriers going to pay for the rebuilding of these roads? No, sir! When their roadways are put out of commission, they go other places and wait for the state to do the job. And you—the taxpayers—foot the bill."

Color-Light Signals Not an Air Raid Hazard

In reply to criticism that the brilliance of modern color-light block and interlocking signals is a menace to surrounding territory in air raids, the British Ministry of Transport has issued an explanation to the press which points out that while the signals show up with "dazzling brightness" as viewed from a coach window, they cannot be seen from above. The statement of the Ministry reads further, "The Ministry of Transport would invite residents in the locality of these signals who may have misgivings on the subject to carry out a simple test. If they will place themselves in a position above or at right angles to the direction of the signals, they will then find that the beam emitted is very narrow and they can take it that from a normal flying height they are quite invisible. The explanation is that all signals of this type are most carefully adjusted on erection so as to be in exact alignment with the driver's vision."

"Recently, as the result of complaints, the signals on a section of line in the London area were inspected by an officer of the Ministry. He reported that none of the signals appeared to be tilted upwards and had they been so tilted there would immediately have been complaints from drivers. Adequate signals are, of course, indispensable if rail traffic is to continue during air attacks. A committee composed of representatives of the Air Ministry, the Home Department and the Ministry of Transport, which investigated the problem in 1938, reported that if the signals were fitted with a two-ft. hood, no material assistance would be given to enemy aircraft at the height at which they would normally fly. These hoods have been fitted to all such signals."

Railroad Credit Corporation Annual Report

Seventy-nine per cent of the fund originally contributed by the railroads, which participated in the Marshaling and Distributing Plan established in 1931 for the purpose of making loans to rail carriers in need of help in meeting fixed interest obligations, has been returned to the participating carriers by the Railroad Credit Corporation, E. G. Buckland, president of that Corporation announced in a report submitted to the stockholders on October 17. Under the Marshaling and Distributing

Plan, 432 railroads pooled the proceeds from an emergency increase in freight rates allowed by the Interstate Commerce Commission and through the Railroad Credit Corporation, loans were made to carriers in need of such financial help.

Those railroads, Mr. Buckland said, contributed \$75,393,237.22, of which all had been liquidated up to September 30, 1940, with the exception of \$19,235,759.57. Most of the remaining balance, he explained, would have been liquidated by this time except for the delay resulting from uniform injunctions against the sale of any collateral pending reorganization which the federal district courts have issued in various railroad reorganization proceedings. The issuance of such injunctions has grown out of the decision of the United States Supreme Court in the Rock Island case.

Since July 15, 1933, the Railroad Credit Corporation has made 48 liquidating distributions to participating carriers of from one-half of one per cent to as high as ten per cent. The total amount refunded up to September 30, 1940, has been \$58,034,174.22, of which \$30,552,070.03 has been in cash and \$27,482,104.19 has been credited on obligations of the participating railroads.

"The outstanding loan balance of \$19,022,329.83 on September 30, 1940," according to the annual report, "was represented by notes of 17 borrowing carriers. Of these, 15 were being operated by bankrupt trustees, one by equity receivers and there was one whose loan balance had been reduced to judgment. Prior claims make foreclosure of the latter account inadvisable."

1939 Earnings of Water Lines Reporting to I. C. C.

The Interstate Commerce Commission's Bureau of Statistics has issued for 1939 its statement setting forth selected financial and operating statistics from the annual report of water carriers subject to the commission's jurisdiction. The reporting carriers were those subject to I. C. C. jurisdiction before enactment of the Transportation Act of 1940, i. e., common carriers by water which were railroad-controlled or which participated in joint routes with railroads.

Only 93 such carriers were required to excuse "because of their slight connection report for 1939, 10 eligibles having been with rail-water commerce." Thus, as the statement points out, the figures do not give a survey of water-borne commerce in the United States. During 1939, the 93 reporting carriers had gross revenues of \$109,571,135, an increase of \$7,199,289 over 1938's \$102,371,846; while the 1939 net income was \$1,340,318 as compared with \$1,198,543 in 1938, an increase of \$141,775. The breakdown of the figures by groups shows that 1939 net incomes were earned by the Atlantic and Gulf Coasts, the Mississippi River and Tributaries and the Pacific Coast groups, while the Great Lakes group reported a deficit of \$637,869. In 1938 the deficit of the Great Lakes group was \$1,120,403, while an \$85,077 deficit was reported by the Atlantic and Gulf Coasts group which in 1939 had a net income of \$238,032.

Included in the data on the Mississippi River and Tributaries group are figures for

the Federal Barge Lines, operated by the government-owned Inland Waterways Corporation. Federal in 1939 reported gross revenues of \$6,562,379 and a net deficit of \$340,837. The two next largest reporting companies in the same group were the American Barge Line Company, with 1939 gross revenues of \$2,432,035 and a net income of \$663,111; and the Mississippi Valley Barge Line Company, with a gross of \$2,745,963 and a net income of \$330,439. Meanwhile the data on "water-line tax accruals" shows that American paid in 1939 total taxes of \$175,246 while Mississippi paid \$113,441. Federal Barge Lines paid taxes totaling \$24. Moreover it had no interest accruals which amounted to \$7,950 for American and \$7,162 for Mississippi.

Parkes Calls Public Relations a "Protection" Job

In the light of current efforts within this country to "divide and conquer" and weaken the public's faith in their institutions and enterprises—including the railroads—the job of the railroad public relations officer is essentially one of "fire protection and insurance." This was the gist of an address presented by Holcombe Parkes, associate director of public relations, Association of American Railroads, in an address before the Fire Protection & Insurance Section, A. A. R., in Chicago on October 15 in which he discussed the necessity of protecting our railroad properties from dangerous public attitudes as well as physical attack.

Comparing the tasks common to public relation men and to his audience, Mr. Parkes emphasized that sabotage would become an increasingly important problem. Said he: "In your field of activity, sabotage is an act of the traitor, the paid saboteur, or the twisted mind. You can hunt him down and brand him for the despised creature he is. But in the broader field of sabotage, the work of preparing nations for destruction is often carried on by those who sincerely believe themselves to be patriots; by those who are above a traitor's pay; by those whose minds are crammed with education. The task of stemming this kind of sabotage is infinitely more difficult. Yet it is a task that we must face—now and with all the courage and vigor at our command; now—before it is too late."

Discussing railroads themselves as a key-stone in the national economy and hence a primary target of sabotage the speaker declared: "The form these attacks might take are many and varied. A barrage of defeatist rumors would be unleashed. The self-appointed critics of railroad affairs would be goaded into a frenzy of words. Every difference of opinion between the railroads and their employees, the railroads and the regulatory authorities, the railroads and their patrons would be magnified and broadcast. Every written or spoken word that could possibly be employed or twisted to discredit railway management would be highlighted. We would hear from many sides that the railroads are decadent; that they are no longer capable of giving this nation the kind and quantity of transportation service it needs; that railroad officers and railroad men are incompetent and apathetic; that railways must go the way

of the stagecoach and the canal boat. Thus would the confidence of a nation in its railroads be shattered. The public respect that we now cherish would be diluted. A great symbol of Americanism would be weakened as a prelude to the destruction of America itself."

Freight Car Loading

Loadings of revenue freight for the week ended October 12 totaled 811,906 cars, the Association of American Railroads announced on October 17. This was an increase of 5,920 cars or 0.7 per cent above the preceding week, a decrease of 28,046 cars or 3.3 per cent below the corresponding week last year, and an increase of 85,764 cars of 11.8 per cent above the comparable 1938 week.

As reported in last week's issue, loadings of revenue freight for the week ended October 5 totaled 805,986 cars, and the summary for that week, as compiled by the Car Service Division, A. A. R., follows:

Revenue Freight Car Loadings			
For Week Ended Saturday, October 5			
Districts	1940	1939	1938
Eastern	161,900	171,859	143,724
Allegheny	167,493	163,837	124,786
Pocahontas	48,195	56,512	51,575
Southern	111,652	116,265	106,160
Northwestern ..	137,995	137,383	102,108
Central Western	120,682	125,731	118,182
Southwestern ..	58,069	58,515	56,081
Total Western Districts	316,746	321,629	276,371
Total All Roads	805,986	830,102	702,616
Commodities			
Grain and grain products	39,387	41,182	42,495
Live stock	19,599	20,811	19,565
Coal	127,693	167,310	134,309
Coke	11,721	11,346	6,141
Forest products ..	40,728	36,824	31,797
Ore	66,005	62,125	28,515
Merchandise l.c.l.	159,636	159,998	161,564
Miscellaneous ..	341,217	330,506	278,230
October 5	805,986	830,102	702,616
September 28 ..	822,434	829,696	696,908
September 21 ..	813,329	809,752	669,704
September 14 ..	804,309	800,431	660,163
September 7 ...	695,258	662,357	568,707

Cumulative Total,
40 Weeks ... 27,391,813 25,116,046 22,841,771

In Canada.—Carloadings for the week ended October 5 totaled 63,578, as compared with 61,267 in the previous week and 68,594 a year ago, according to the weekly summary of the Dominion Bureau of Statistics. The decline was due principally to a falling off in grain loading.

	Total Cars Loaded	Total Cars Rec'd from Connections
Total for Canada:		
Oct. 5, 1940	63,578	26,132
Sept. 28, 1940	61,267	25,438
Sept. 21, 1940	63,422	26,359
Oct. 7, 1939	68,594	26,967
Cumulative Totals for Canada:		
Oct. 5, 1940	2,108,848	977,241
Oct. 7, 1939	1,899,572	831,826
Oct. 8, 1938	1,848,246	808,970

Supply Trade and Railroad Employees Scan Problems

Government-fostered projects which furnish a common threat to the livelihood and security to the employees of both the railroads themselves and the railroad supply companies formed the chief topic of discussion at a joint meeting of the employees of the New York Air Brake Company and the New York Central at Watertown, N. Y., on October 8. Believed to be one of the first meetings of its type ever

held, the program included a number of speeches and three five-round boxing matches by local contestants. The main address of the evening was delivered by L. W. Horning, regional director, competitive transportation research, Association of American Railroads, who discussed "the economic advantage to Jefferson County of shipping by rail," while W. A. Hamler, superintendent, St. Lawrence division, New York Central, introduced the speakers. Brief remarks were presented by Mayor C. A. Winslow of Watertown, and City Manager C. L. Wood.

In his introductory remarks, L. K. Silcox, first vice-president, New York Air Brake Company, said: "We are assembled in recognition of a common interest—an interest more intimate than any which might unite an industrial group, with the exception, perhaps, of actual physical security. We well can be convinced that we crusade constructively when we act in defense of our jobs, for we feel they are threatened unjustly. As the early canal displaced the turnpike for mass transportation, and the railway, in turn, superseded the canal, so we may expect the railways to yield if more economical transportation systems of equal capacity are developed. We may rightfully object, as taxpayers and tenants of taxable property, to the diversion of public funds to permit the continued operation of the very agencies which endanger our economic security as individuals and householders.

"A few facts which disclose the economic importance to our community of the New York Central Railroad Company and The New York Air Brake Company are outlined in the programs which have been given you. It is shown that these two organizations jointly support 30 per cent of our local business and, in turn, our companies are supported wholly by the revenues from railway transportation. Despite this fact, our public servants do not always recognize their responsibilities toward established enterprise. We, ourselves, are less exacting than we should be in many instances.

"We probably are agreed that interstate shipping on inland waterways should be regulated by government in the same way and to the same degree that railways are regulated. Such a program is now under way but it was opposed by federal representation from our district. Particularly are we concerned with the movement over the highways of freight which railways could handle more economically and our eyes are trained upon the automobile convoy. If the average motorist would suffer no inconvenience were all the nation's freight to move over the public roads, and if the motor freight industry supported highway costs in an amount commensurate with its use and destruction of the pavements, still justifying costs lower than railways could quote, we would be compelled to forfeit our railway sponsored jobs in the name of changing conditions and, perhaps, progress. We are quite sure that the threat of the motor truck arises from its exemption from some elements of cost. The movement of automobiles into Watertown from the Buffalo or Detroit areas can be carried out in enclosed, specially-fitted automobile cars, as many as

100 per train, or it can be made on skeleton semi-trailers, four automobiles per trailer. Many dealers prefer the convoy since the public highway leads to his display room and the railway is confined to the use of property to which it holds title. Rates are approximately the same. This does not mean that costs are of the same order. Rates may be arbitrary but costs are inelastic. But costs may be hidden and any expense which the taxpayer assumes need not be borne by the operator who used public facilities."

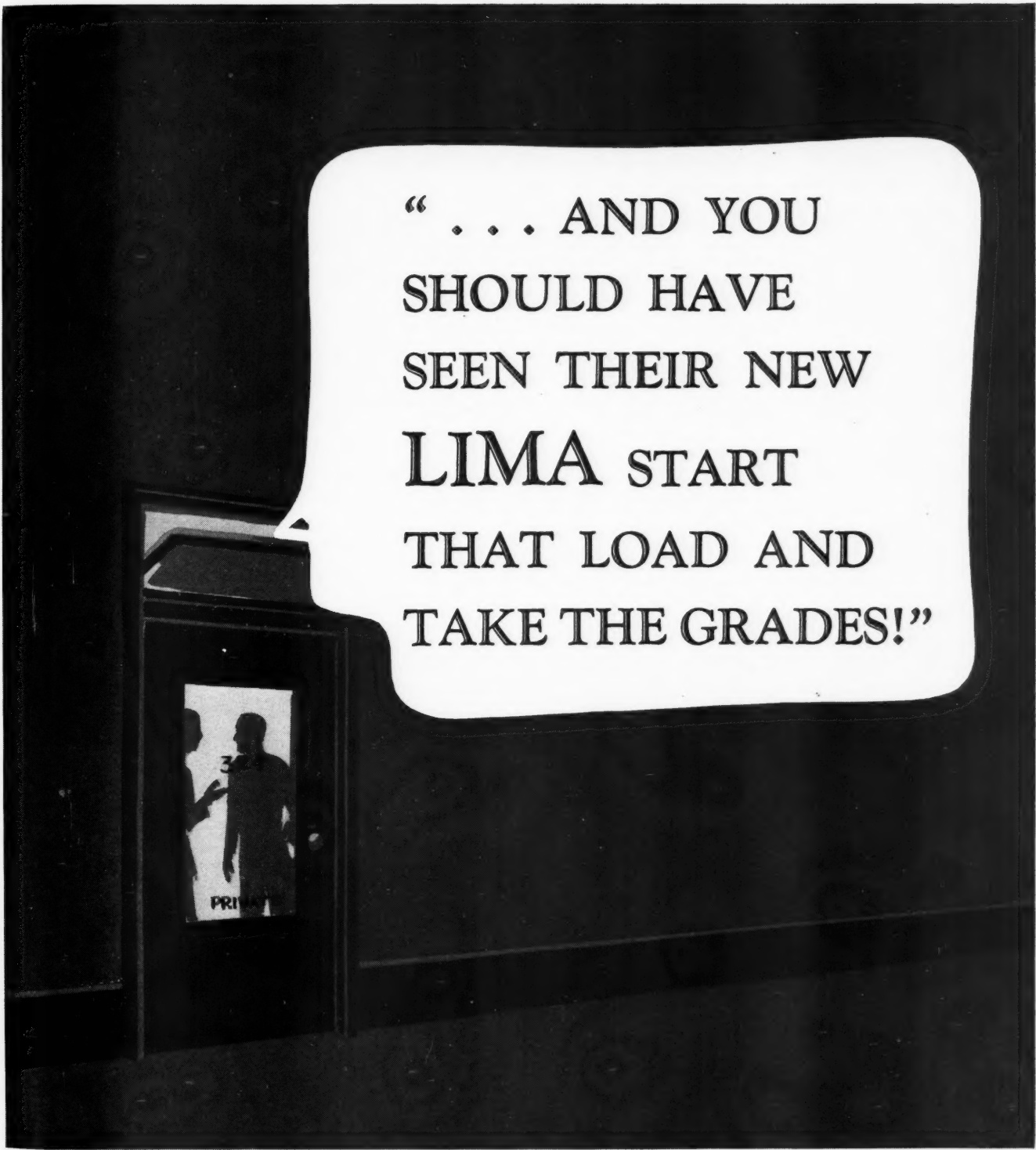
Mr. Silcox also attacked the St. Lawrence seaway as being unjustified and as being a threat to established tax-paying facilities. He made a plea for public education in the realities of such government projects as the seaway. Said he, "We occupy a strong position, for reasoned judgment proves the justice of our position on every account. Retain taxation for the purpose defined by our founding fathers—to meet the needs of minimum essential public service—not to compete with private industry that government may be glorified and opportunities for patronage enlarged."

The facts referred to in Mr. Silcox's address, printed in the pamphlet program of the meeting, included the statement that the New York Central and the New York Air Brake Company are respectively the city's first and second largest tax payers, carrying together 7 per cent of the local tax burden, the total amount of which represents about one-third of the city's share of support of its public school system.

Brazil Expropriates Private Railway Holding Company

The government of Brazil has expropriated the real and personal property of the Brazil Railway Company and subsidiary companies under a decree law signed by President Vargas recently, on the grounds that the company has been unpunctual in the payment of its obligations and that its financial operations have been prejudicial to the public credit of the country. While this move constitutes government seizure of private property, it is not "out of a clear sky." For several decades various properties of the Brazil Railway Company have been in part under the control of the government. Indeed there has existed one of the most complicated arrangements between a government and a private company in existence, giving rise to a tangled skein of mutual obligations, divided administration and government guarantees of interest.

The Brazil Railway Company was incorporated in 1906 under the laws of the State of Maine by a group of European investors, chiefly British, French and Belgian. Its purpose was to establish a consolidated system of railways in Southern Brazil, together with non-carrier subsidiaries such as the Southern Brazil Lumber & Colonization Co., the Brazil Land, Cattle & Packing Co. and the Brazil Development & Colonization Co. The company acquired control of the Sorocabana, the Sao Paulo-Rio Grande Parana and Compagnie Auxiliare de Chemins de Fer au Bresil, and in addition obtained an important interest in the Paulista and Mogiana roads and in the established ports of Rio de Janeiro and Rio Grande do Sul.



“ . . . AND YOU
SHOULD HAVE
SEEN THEIR NEW
LIMA START
THAT LOAD AND
TAKE THE GRADES!”

Lima super-power, high-speed locomotives are being talked about all over the country by the men who have seen them in operation and by others who judge performance by profit and loss sheets. No matter how you look at them, Lima super-power steam Locomotives give a performance that will make any railroad man realize that *NEW power is profitable power*

LIMA LOCOMOTIVE WORKS



INCORPORATED, LIMA, OHIO

The company went into receivership in 1914, due to financial difficulties, and was reorganized in 1917 and placed under the control of a joint committee of bondholders with headquarters at London, England.

The 1,362-mi. Sorocabana, originally built by the state of Sao Paulo, was operated by the Brazil Railway Company from 1909 to 1919. In the latter year the lease was rescinded and the road was again operated by the state. Up until the time of its expropriation, however, the Brazil Railway Company held a large interest in the Sorocabana Railway Company, the assets of which consisted of holdings of securities of the government of other subsidiaries of the Brazil Railway Company. The 790-mi. Sao Paulo-Rio Grande and the 254-mi. Parana, which were built by the Brazil Railway Company, have been operated by the government of Brazil since 1930, during which time the government has failed to pay the guaranty of interest owing to the company. Also in 1934 the government cancelled essential clauses of the concession contract reducing the total recognized capital of the roads about 50 per cent. Since 1930 the holding company has been meeting its own bond interest out of reserves. The compagnie Auxiliare des Chemins de Fer au Bresil, which operated practically the entire 1,357-mi. railway system of the state of Rio Grande do Sul under lease, withdrew from direct operation in 1920 when the concession for operation of its lines was repurchased by the federal government of Brazil. At the time of its recent expropriation the Brazil Railway Company also controlled directly approximately 30,500 shares of a total of 400,000 shares of capital stock of the 1,306-mi. Mogyana Railway, which was still privately owned at the time, although "supervised" by the federal and Sao Paulo state governments, and held a substantial interest in the 430-mile Paulista railway.

State Expenditures on Highways in 1939

State highway departments in 1939 had a total income of \$1,144,064,000 and spent \$1,126,929,000, including \$811,656,000 for state administered highways, reports of the states to the Public Roads Administration of the Federal Works Agency show. The expenditure for state administered highways was \$83,476,000 less than was expended in the preceding year.

The states spent \$467,392,000 for highway construction and \$206,014,000 for maintenance, these expenditures including \$575,964,000 for work on primary state highways, \$57,693,000 on secondary roads in 13 states, and \$38,749,000 on urban extensions of state highways. The remaining \$138,250,000 of the total for state administered highways went for administration, equipment, highway police and interest on debt. The total expenditure for all purposes included, in addition, \$134,099,000 for debt retirement, \$154,085,000 transferred for use on local roads and streets, \$5,147,000 used on highways not on the state system, and \$21,942,000 for non-highway purposes.

Balances on hand together with the \$1,144,064,000 total income brought the total funds available to 1½ billion dollars. "In-

come from current state revenue sources amounted to \$850,693,000, of which motor vehicle users contributed 99 per cent," says the F. W. A. press release. "Taxes on property no longer supply significant amounts to state highway funds." Funds received from Federal sources amounted to \$189,679,000, and with income from sale of bonds, transfers from local units, and from miscellaneous sources brought the total income from other than current State revenue sources to \$293,371,000.

Northern Pacific Land Grant Case Is Reargued

The entire problem of land grants as they affect the Northern Pacific was laid before the United States Supreme Court on October 15 when that body heard oral reargument in the case of the United States versus the Northern Pacific. The case, which is one of the largest in the amount of money involved and one of the most complex ever to come before the tribunal, was up for decision at the last session of the court, but was ordered reargued so that certain points might be cleared up. The question of the land grants and the damages which may or may not accrue to the railroad company has been in either the courts or before congressional committees for the last quarter of a century and involves not only the rights of the railroad company but also a dispute between the General Land Office of the Department of

Court agreed to pass on the validity of the action of the U. S.-German Mixed Claims Commission in reopening the "Black Tom" case and reversing its earlier findings. In the first decision in 1930 the mixed claims commission found that Germany was not responsible for the Black Tom explosion in New York harbor and at Kingsland, N. J. However, in 1933 the commission reopened the case and last year decided that Germany was responsible.

As a result of the second decision the Lehigh Valley and the American Car & Foundry Company and others damaged by the explosion were awarded a pro rata share of approximately \$25,000,000 of German funds held by the Treasury Department to cover the awards. Should the second decision be reversed by the Court, the money now held in the Treasury would go to persons who had established prior claims against the German government.

The Court also granted a review of a lower court decision which had held that the trustees of the New York, New Haven & Hartford must advance cash for the payment of the Boston Terminal taxes and bond interest.

July Bus Revenues 5.6 Per Cent Below 1939

Class I motor carriers of passengers reported July revenues \$11,840,626 as compared with \$12,542,324 in July, 1939, a decrease of 5.6 per cent, according to the

	Passenger revenue		Passengers carried	
	July 1940	July 1939	July 1940	July 1939
New England Region	\$647,376	\$721,391	1,085,227	1,056,083
Middle Atlantic Region	2,050,680	2,334,830	3,043,268	2,875,535
Central Region	2,210,915	2,323,304	2,722,184	2,099,060
Southern Region	2,444,166	2,328,406	2,798,941	2,626,363
Northwestern Region	500,012	554,788	355,962	379,320
Mid-Western Region	1,032,845	1,055,525	571,101	566,917
Southwestern Region	1,307,631	1,390,021	1,227,249	1,314,708
Rocky Mountain Region	154,216	164,608	95,944	102,497
Pacific Region	1,493,385	1,669,451	1,490,630	1,487,895

the Interior and the Forestry Service of the Department of Agriculture.

Frederick Bernays Weiner, a member of the Solicitor General's staff, argued the case for the government and contended that the Northern Pacific was not entitled to any of the land in dispute or damages because of its failure to construct its main line from Wallula, Wash., to Portland "via the valley of the Columbia" as specified in the congressional grant. John W. Davis of the New York law firm of Davis, Polk, Wardwell, Gardiner & Reed, represented the railroad and maintained that the company should be recompensed either in land or monetary damages for the rights which had accrued to it because of the land grants.

Meanwhile, the Court, on its first decision day of the present term, October 14, refused to reconsider its decision in the recent American Trucking Associations, Inc. case in which it held that the Interstate Commerce Commission had jurisdiction over only those employees of trucking companies whose duties affected the safety of operation.

In another order on the same day the

latest compilation prepared by the Interstate Commerce Commission's Bureau of Statistics from 143 reports representing 144 bus operators. Passengers carried increased 7.1 per cent, from 12,508,378 to 13,390,506.

The breakdown by regions of the bus revenue and traffic figures, which exclude data on charter or special party service, is given in the accompanying table.

Pullman Answers Monopoly Charge

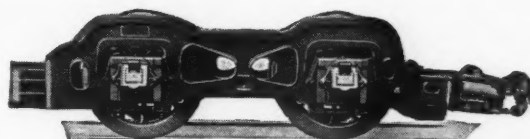
An answer denying charges by the department of justice that the Pullman Company, its subsidiaries and its officers have violated the Clayton and Sherman acts, was filed by the defendants with the district court at Philadelphia, Pa., on October 15. As reported in the *Railway Age* of July 20, page 119, the department filed a civil suit on July 12 charging, in brief, that the Pullman organization has prevented the railroads from using modern light weight, streamlined cars manufactured by competing companies and from operating their own sleeping cars and has forced the rail-

CARLOADINGS ARE ALREADY UP!



Already the preliminary stages of the defense program have resulted in an increase in carloadings. When the program is under full swing the railroads will be faced with a hauling problem such as they have not faced in years. » » » The quickest and most economical means of meeting the demand of moving heavier loads at high speeds with your existing locomotives is . . . BOOSTER* POWER! The Locomotive

Booster, by capitalizing idle weight and spare steam, enables you to start heavier loads and keep them moving over the ruling grades. Increase the capacity of what already exists by adding the Booster.



*Trade Mark Registered United States Patent Office



FRANKLIN RAILWAY SUPPLY COMPANY, INC.

NEW YORK
CHICAGO
MONTREAL

roads to purchase cars from Pullman's manufacturing subsidiary.

The defendants denial, 60 pages in length, comments upon each of the 98 paragraphs of the department's complaint. The answer contends that the Pullman Company was organized to establish an economical system for providing sleeping car service; "that when the Pullman Company acquired the sleeping car assets of the other companies, it did so, not for the purpose of acquiring a monopoly or restraining trade or violating or avoiding any law of the United States, or for the purpose of having an effect upon prices to be charged for the services rendered therein, or to deprive any railroad company if it desired so to do of the right to operate said service for itself".

The defendants "particularly deny that the Pullman Company has at any time ever pursued any policy of refusing to improve its sleeping cars or of refusing to keep such equipment up to the standards of safety, speed, comfort or convenience made possible by advancements in rolling stock construction, and deny that the Pullman Company has consistently refused to adopt improvements in quality, design, material or safety made available to it which would make the cars better in respect of safety, earning power or riding comfort. The fleet of Pullman pool cars has been modernized by placing in operation 383 new type light weight sleeping cars constituting 5.63 per cent of the total number of cars in the Pullman pool; and with inclusion of such cars already purchased for early delivery the percentage of such replacements is 6.7 per cent. The railroad owned light weight cars, including those on order, aggregate 1,333 units or 3.7 per cent of the 35,722 passenger train cars owned by class 1 railroads as of July 1, 1940".

They deny "that the entire program or any part thereof of modernizing passenger

transportation by the use of high speed trains has been thwarted, restrained or stifled by them. Standard and the Pullman Company have been foremost in developing, building and furnishing light weight cars and trains and the railroads, in adopting such equipment as a means for improving their passenger traffic, have received the active co-operation of these companies in research, in solving engineering problems and in other phases of this development. Standard has endeavored to promote its business by sales of light weight equipment. The Pullman Company has offered to furnish and has furnished contracting railroads with light weight sleeping cars." The answer also commented upon the use of various metals, including aluminum alloy, used in the construction of light weight trains and pointed out that "this material was used by standard in the construction of the City of Salina train for the Union Pacific which was the first successfully operable light weight streamlined train built and delivered to a railroad in the United States. Subsequently numerous other trains were constructed of the same material by Standard and by other car builders."

B. & M. Philosopher-Crossing Gateman Retires at 80

Gilbert E. Lame of West Peabody, Mass., famed Boston & Maine crossing tender who knew two Presidents of the United States personally, has made two coast-to-coast radio broadcasts and has exchanged greetings with from 2,000 to 7,000 people daily, retired from active service on October 3 at the age of 80. Known widely as the "Whittling Parson," Mr. Lame has for the past 15 years guarded the Boston & Maine's grade crossing at Newburyport Turnpike. Previous to that he was as-

sistant agent at Danvers; all in all he has had 27 years of railroad service.

A skilled whittler who carves paper knives and other things from wood on the job, Mr. Lame gained fame both for his talent and for his uninterrupted habit of waving greetings to passing motorists. He has made scores of public speaking and radio appearances and has had a good deal of his home-spun verses printed.

Treasury Officers Meet at Roanoke

(Continued from page 558)

presenting the advisory committee's report, Chairman Fink indicated there are now 910 points served by railroads in the United States at which joint credit arrangements have been established under the auspices of the Association. The extensive docket of that committee included such matters as the collection of tariff charges by rail and motor carriers under the regulations of the I. C. C. (the convention directed that this subject be further pursued in the interest of closely observing developments in respect of the Commission's credit regulations for other forms of transportation); extension of credit for passenger transportation; suggested amendments of Consolidated Freight Classification; handling of remittances for C. O. D. shipments; amendments of the Division's Rules of Order to provide for the election of officers at annual meetings, etc. The report of the committee on collection of transportation charges, summarized by Chairman Harry Hurst (assistant treasurer, Pennsylvania), elicited considerable discussion during which it was suggested steps be taken to secure permission of the I. C. C. for the railroads to accumulate small l. c. l. bills up to a possible maximum of \$50 and allow shippers to remit weekly in one sum covering all such minor bills, rather than individual remittances under the present requirement of 48 or 96 hours. E. W. Hotchkiss (assistant treasurer, Grand Trunk Western) submitted the report of the committee on order and advise shipments, which encompassed, among other subjects, arrangements which are being perfected on behalf of over 43 carriers to accept a single blanket commercial bond from a large shipper and receiver of freight, in lieu of individual personal surety bonds now held by those carriers for the delivery of order and advise shipments prior to surrender of the necessary orders. A joint resolution of commendation for their services was extended to Chairmen Hurst and Hotchkiss by unanimous rising vote of the convention. G. L. Dover (assistant treasurer, Delaware & Hudson) presented the report of the committee on banks, which related to acceptance of travelers' checks and other subjects pertaining to relations between the carriers and their depositories. E. G. Smith (secretary and treasurer, Union Pacific) submitted the report of the committee on fiscal taxes and W. S. Ure (assistant treasurer, Union Pacific) presented the report of the committee on collection of shippers' invoices. J. A. Simpson (treasurer, Southern Pacific), chairman of the Division's committee on relations with



G. E. Lame, 80-Year Old Crossing Tender of the Boston & Maine, Who Retired This Week, Is Shown in a Characteristic Pose As he Stopped Whittling to Wave At a Passing Motorist

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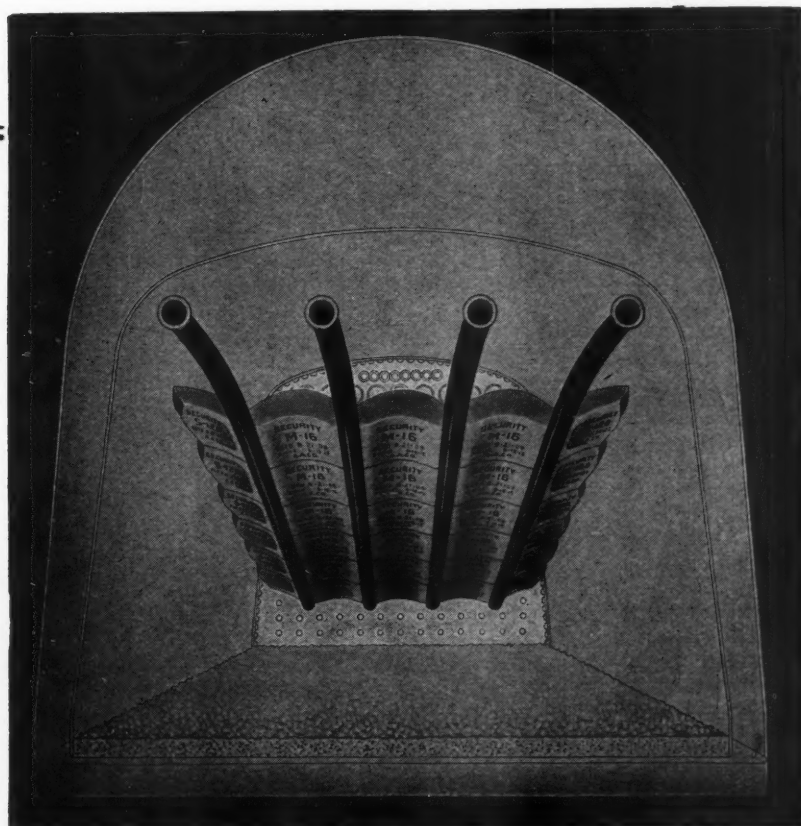
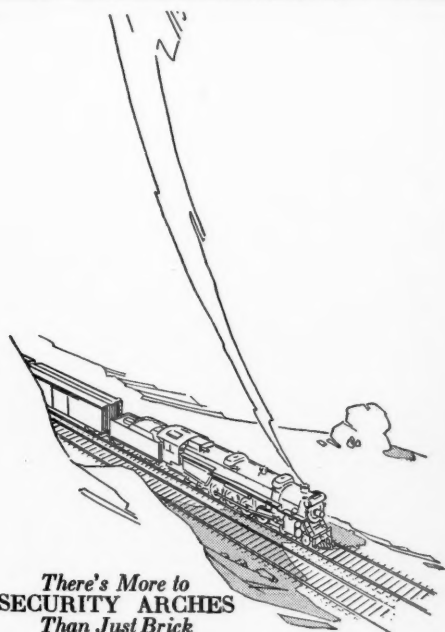
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Security Brick Arches are correctly designed to compel every pound of fuel to develop its share of full boiler capacity.

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the public, presented a complete report covering the cooperative public relations campaign of the treasury officers, stressing the relationship which has been established within the past year with the National Association of Credit Men in support of a sound national transportation policy. The convention was informed the detailed reports of the committees and groups would be reproduced in the proceedings of the meeting.

At the concluding session, Mr. Bunnell announced the appointment of the following officers as members of the treasury advisory committee for the ensuing year: R. E. Connolly, (treasurer, Illinois Central), Harry Hurst (assistant treasurer, Pennsylvania), J. J. Jenkins (treasurer, Baltimore & Ohio), F. O. Linstead (treasurer, Chicago & North Western), H. F. Lohmeyer (secretary and treasurer, Chesapeake & Ohio), P. Nichols (treasurer, Atlantic Coast Line), Carl Nyquist (secretary and treasurer, Chicago, Rock Island and Pacific), J. A. Simpson (treasurer, Southern Pacific), A. E. Tate (assistant treasurer, Southern), W. S. Ure (assistant treasurer, Union Pacific), A. T. Williams (treasurer and assistant secretary, Chicago, Burlington & Quincy), James Williams (assistant treasurer, Alton). Others on the committee are Division Chairman Fink and Division Vice-Chairman Ahrens, ex officio members. Mr. Fink continues as chairman of the advisory committee. G. A. Burget (secretary and treasurer, Chicago & Eastern Illinois) was elected chairman of the Division's sectional coordinating committee at a meeting of that committee following adjournment of the convention, and will also serve as an ex officio member of the advisory committee. E. R. Ford, with headquarters at Washington, continues as secretary of the Division. Colorado Springs, Colo., was selected as the 1941 meeting place.

New Haven Gets Big Press Response on Value of Freight Service

Seeking to acquaint the people of New England with the part that fast railroad freight trains play in the national defense program, the New York, New Haven & Hartford recently invited a group of newspaper feature writers to share the hospitality of one of its new super-comfortable five hundred-class cabooses on the rear end of the "Cannonball" between Boston, Mass., and New York. The four major Boston dailies "came through" with full-page articles in their Sunday supplements, while two smaller papers inland and the Christian Science Monitor (which has a national circulation) ran feature articles in regular daily editions.

Each of these articles was illustrated with "atmosphere shots," while the authors sought to recreate the well-regulated operation of an expedited freight run in descriptive text. The articles emphasized that the Cannonball was carrying, among other things, the materials for, and products of, industrial war preparedness work and showed by example the advantages of mass transportation for the carriage of such shipments. One authority went so far as to analyze the multiplicity of routings which the New Haven can use should various strategic points be destroyed by bombs.

Equipment and Supplies

Southern Buys Six Streamliners

The Southern has purchased six streamlined air-conditioned passenger trains, each consisting of an observation-lounge-tavern car, 48-seat dining car, baggage-dormitory chair car, chair car coaches and Diesel-powered locomotive. The trains are scheduled for service early in 1941 between New York and New Orleans, La., and between Washington, D. C., and Memphis, Tenn.

LOCOMOTIVES

THE CHILEAN STATE RAILWAYS will take delivery later this month of 11 steam locomotives manufactured by the Baldwin Locomotive Works.

FREIGHT CARS

THE LEHIGH VALLEY is in the market for 500 box cars and 250 gondola cars.

THE DETROIT, TOLEDO & IRONTON is inquiring for 300 50-ton gondola cars.

THE WHEELING & LAKE ERIE order for 300 box cars reported in the *Railway Age* of October 12, page 526, should be corrected to 302 box cars.

THE PACIFIC FRUIT EXPRESS, reported in *Railway Age* of October 5 as contemplating the purchase of refrigerator cars is now inquiring for 1,000 cars.

THE ATLANTIC COAST LINE order for 125 flat cars placed with the Greenville Steel Car Company as reported in the *Railway Age* of September 14, page 382, has been cancelled.

THE PERE MARQUETTE has ordered 200 70-ton low-side, drop-end gondola cars from the Bethlehem Steel Company. Inquiry for this equipment was reported in the *Railway Age* of September 28.

THE CHICAGO, BURLINGTON & QUINCY has placed an order with company shops for the construction of 1,000 box cars. Work will begin in two weeks and be finished in three months.

THE GREAT NORTHERN has ordered 2,000 box cars, placing 1,000 with the Pullman-Standard Car Manufacturing Company, 500 with the American Car and Foundry Company, and 500 with the Pressed Steel Car Company.

THE PANAMA RAILROAD has received from the Magor Car Corporation 20 flat cars and 30 box cars at a total cost of \$209,460. The last of the 20 flat cars are now enroute to Panama and the 30 box cars are awaiting shipment. Request for bids on this equipment was reported in the *Railway Age* of April 20.

THE ROYAL STATE RAILWAYS, Bangkok, Siam, are asking bids for 20 all-steel box cars of 3.28 ft. gage, according to the

United States Department of Commerce. Bids must be submitted to the stores superintendent's office, Bangkok, by January 31, 1941. It is also understood that bids are shortly to be invited on 150 low-sided freight cars of 3.28 ft gage.

IRON AND STEEL

THE BALTIMORE & OHIO has ordered 18,800 tons of rail, allocating 13,800 tons to United States Steel Corporation and 5,000 tons to Bethlehem Steel Company.

THE CHICAGO, ROCK ISLAND & PACIFIC has been authorized by the district court to spend \$3,075,000 for 35,000 tons of rails, track accessories and bridge steel.

Construction

LEHIGH VALLEY.—Contracts for two Red Devil engine coalers and automatic car unloaders to be installed at Lehigh, Pa., and Sayre, have been awarded the Ross and White Company, Chicago.

MISSISSIPPI CENTRAL.—This company has asked the Interstate Commerce Commission for authority to construct a line from Hattiesburg, Miss., to Camp Shelby, 10 miles. The new line will be used to transport freight to an Army training camp which will be located at Camp Shelby.

PENNSYLVANIA.—A contract has been awarded to the James McGraw Company of Philadelphia for construction of a new 640-ft. east-bound platform and waiting room at the Pennsylvania's passenger station in Rahway, N. J.

PENNSYLVANIA-LEHIGH VALLEY.—The New York Public Service Commission has approved a bid of \$89,302, by the Smith Engineering & Construction Co., Syracuse, for elimination of crossings of these two roads at Main and Seneca streets and Main street at Stanley in town of Seneca.

SEABOARD AIR LINE.—This company has purchased an N. & W. type electric cinder plant from the Ross and White Company, Chicago, which will be erected at Jacksonville, Fla.

SOUTHERN.—Three N. & W. type electric cinder plants have been purchased from the Ross and White Company, Chicago, for installation at the Chattanooga, (Tenn.) terminal.

TENNESSEE CENTRAL.—A contract amounting to approximately \$25,000 has been awarded the L. N. Yearwood Company, Nashville, Tenn., for the construction of a brick and concrete storehouse and office building at the shops in Nashville.

UNION PACIFIC.—Work has been started on construction of a 120-ft. turntable at Cheyenne, Wyo., which will replace a 100-ft. turntable. The work is being done with company forces and will cost approximately \$56,000.

FACTOR No. 1

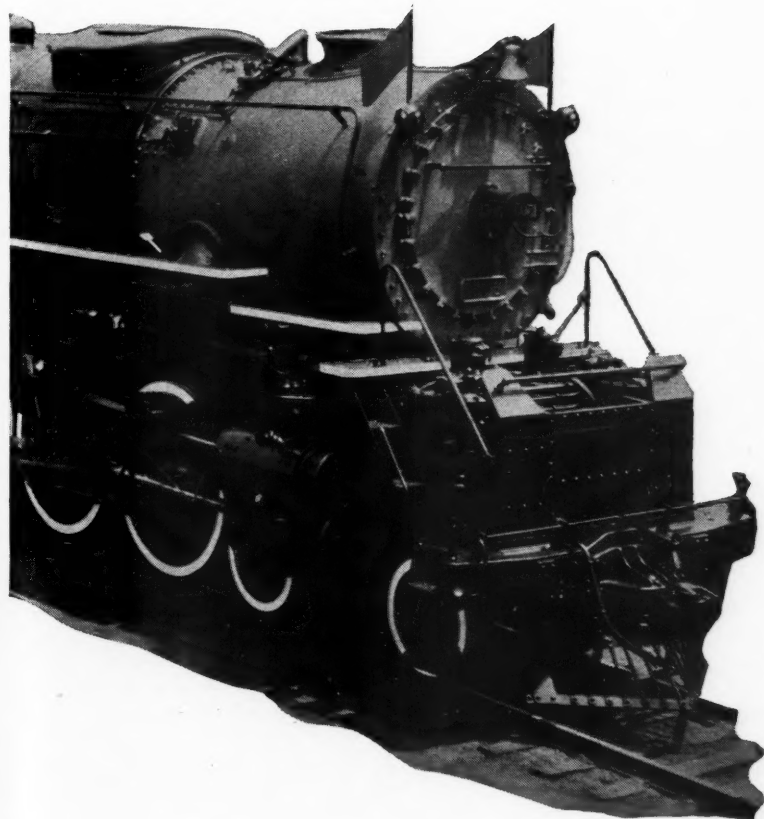
The boiler is a factor. How often has it happened that an otherwise well designed locomotive having all the attributes necessary for efficient operation has in practice been found wanting, more particularly at times of stress, for no other reason than that of its being under-boilered.

Elesco exhaust steam injectors increase the evaporative capacity of the boiler from 8%-12%, by using exhaust steam to pre-heat and inject the boiler feed-water.

Maintenance cost is low as there are no continuously moving parts.

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This locomotive is one of 20 D & H locomotives equipped with Elesco exhaust steam injectors.



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Montreal, Canada
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Supply Trade

Roger H. Clapp, formerly Philadelphia branch manager, has been appointed assistant general manager of sales of **John A. Roebling's Sons Company**, Trenton, N. J.

Harvey Wilson, formerly in charge of the Philadelphia sales office of the **Babcock & Wilcox Tube Co.**, has been transferred to New York as district sales manager.

Dr. Claude L. Clark, formerly of the Department of Engineering Research, University of Michigan, has joined the metallurgical staff of the Steel & Tube division of the **Timken Roller Bearing Company** at Canton, Ohio, as metallurgical development engineer.

A. F. Huber, chief engineer of the **Ramapo Ajax Division of American Brake Shoe & Foundry Company**, with headquarters at Chicago, has transferred his headquarters to Niagara Falls, N. Y. **J. V. Houston**, assistant chief engineer of Ramapo, will remain at his present location.

R. G. McAndrew, whose appointment as technical assistant to the vice-presidents in charge of engineering and manufacturing,



R. G. McAndrew

American Locomotive Company, was reported in the *Railway Age* of October 12 page 527, was born on February 25, 1895, at St. Thomas, Ont. He was graduated from the University of Michigan with the degree of Bachelor of Science in mechanical engineering, and entered railroad service in 1916 as special apprentice with the Michigan Central. From 1919 to 1923, Mr. McAndrew served as roundhouse foreman for the Michigan Central and from 1923 to 1928 he was drafting, testing and roundhouse foreman for the Denver & Rio Grande Western. In 1929 he was appointed mechanical engineer of the New York, Ontario & Western and in 1937 became superintendent of motive power of this same road, with headquarters at Middletown, N. Y., which position he held until his appointment with the American Locomotive Company.

W. L. Lentz, whose appointment as

manager of the Schenectady plant of the **American Locomotive Company** was reported in the *Railway Age* of October 12,



W. L. Lentz

page 527, was born on January 29, 1895, at Jersey Shore, Pa. During 1917 and 1918 he attended military schools at Cornell University and Fort Sill, and was commissioned lieutenant in the aviation corps. He began service with the New York Central in May, 1913, completed an apprentice course in the locomotive shops of that road, and subsequently was assigned to road test work. In 1919 he was appointed apprentice instructor in the locomotive and car shops at West Albany, N. Y., and in May, 1920, transferred to the equipment engineering department at New York, successively occupying the positions of designer, traveling inspector, assistant engineer of motive power and engineer of motive power. In January, 1937, Mr. Lentz became associated with the Standard Stoker Company, Inc., as sales manager, which position he held until his recent appointment with the American Locomotive Company.

OBITUARY

H. H. Timken, co-founder of the **Timken Roller Bearing Company** and chairman of the board, died in Canton, Ohio, October 14. Mr. Timken was born in St.



H. H. Timken

Louis, April 19, 1868, and graduated from the University of California law school. He went to Canton in 1901 and with his

father established the **Timken Roller Bearing Axle Company** at Canton. In 1909 the firm took its present name. He was the first president of the Canton Chamber of Commerce and had been chairman of the board of **Hercules Motor Corporation** of Canton. Mr. Timken had been president of the **Timken Roller Bearing Company** for 23 years and chairman of the board for 12.

J. E. Buker, vice-president and a director of the **Vapor Car Heating Company, Inc.**, and the **Vapor Car Heating Company of Canada, Ltd.**, with headquarters at Chicago, died in that city on October 11 of a heart ailment. Mr. Buker was born in New York and began his railway career at an early age with the **Lake Shore & Michigan Southern**, now a part of the **New York Central**. After several years with this company he resigned in 1889, to enter the employ of the **Chicago, Santa Fe & California**, now a part of the **Atchison, Topeka & Santa Fe**, at its Corwith shops in Chicago. Later he was appointed superintendent of the **Hicks Stock Car Company, Chicago**, and in 1901 he resigned to become assistant superintendent of machinery of the **Illinois Central** at Chicago. In 1908, he was promoted to superintendent of the car department, and in 1910 resigned to enter the employ of the **Chicago Car Heating Company**, now the **Vapor Car Heating Company**, as a



J. E. Buker

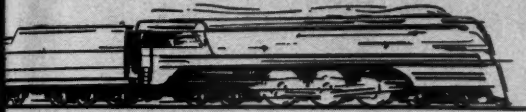
vice-president and a director. In 1905-1906, Mr. Buker was president of the **Master Car Builders Association**. At the time of his death he was a director of the **Western Railway Club**, commodore of the **Straight of Michigan Yacht Club**, and a member of the **Chicago Yacht Club**, the **South Shore Country Club** and the **Chicago Athletic Club**.

TRADE PUBLICATION

STEEL FURNITURE AND EQUIPMENT.—The **All-Steel Equipment Company**, Aurora, Ill., has issued new catalogs of its steel furniture and equipment for offices and manufacturing shops. Catalog F-10 dealing with office equipment is a loose-leaf binding of 75 pages showing all construction details in color and giving a detailed index for the convenience in selecting sizes and models.

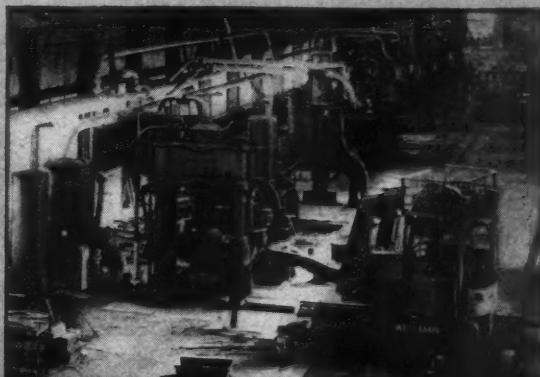
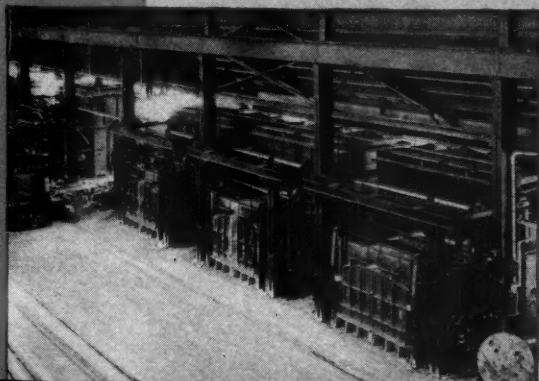
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Financial

CHICAGO, ROCK ISLAND & PACIFIC.—Equipment Trust Certificates.—Halsey, Stuart & Co., Inc., and associated houses on October 10 offered to the public \$2,758,000 Chicago, Rock Island & Pacific 2 per cent equipment trust certificates, series U, at prices to yield from 0.20 to 1.75 per cent, for maturities from 1941 to 1947. The group purchased the issue on a bid of 101.802.

CHICAGO, ROCK ISLAND & PACIFIC.—Equipment Trust Certificates.—This company has asked the Interstate Commerce Commission for authority to assume liability for \$2,758,000 of two per cent equipment trust certificates, maturing in 14 equal semiannual installments ending November 1, 1947. The proceeds of the certificates will be used to refinance conditional sales contracts now in force for 261 units of equipment costing a total of \$4,420,075, all of which has either been received from the builders or contracted for. The petition states that the refinancing will result in a considerable saving to the company.

DENVER & RIO GRANDE WESTERN.—Reorganization.—Acting on the express wishes of Judge Symes of the Federal District Court of Colorado, that the security holders of this company endeavor to compose their views and bring to him a recommendation within certain general limits which he had prescribed, a meeting was held on October 11 between Reconstruction Finance Corporation officials and representatives of practically all classes of the road's securities, according to an announcement by Jesse Jones, Federal Loan Administrator. The statement pointed out that some progress was made, but that a full agreement was not reached and a further meeting would be held on October 16.

DULUTH, MISSABE & IRON RANGE.—Equipment Trust Certificates.—This company has been authorized by Division 4 of the Interstate Commerce Commission to assume liability for \$1,500,000 of 1½ per cent equipment trust certificates, maturing in 10 equal annual installments of \$150,000 on October 1 in each of the years from 1941 to 1950, inclusive. The issue has been sold at 101.04 to a group composed of Alexander Brown & Son, Harris, Hall & Co., and the Illinois Company of Chicago, making the average annual cost to the company approximately 1.31 per cent.

SOUTHERN.—Equipment Trust Certificates.—This company has asked the Interstate Commerce Commission for authority to assume liability for \$7,300,000 of 1½ per cent equipment trust certificates, maturing in 10 equal annual installments of \$730,000 each on November 1, in each of the years from November 1, 1941, to November 1, 1950. The proceeds will be used as a part payment for equipment costing a total of \$8,147,000 and consisting of 1,500 box cars, 750 hopper coal cars, 1,071 gondola cars, and eight Diesel-electric switch engines. The petition states that the new freight

cars will, at a conservative estimate, reduce the company's annual hire of equipment charge by \$825,000.

The issue has been sold to Drexel & Co. and Laurence M. Marks & Co. at 100.568, making the average annual cost to the company approximately 1.77 per cent.

SEABOARD AIR LINE.—Joint Operation.—This company has asked the Interstate Commerce Commission for authority to operate over the tracks of the Suffolk Terminals in Suffolk, Va., 2.3 miles. The terminals were recently acquired by the Virginian from the Norfolk Southern.

SOUTHERN.—Mobile & Ohio Stock Certificates.—Following a meeting held at the offices of the Guaranty Trust Company, New York, on October 15, a committee headed by J. H. Ware, on behalf of holders of Mobile & Ohio Stock trust certificates, has instituted a suit against the Southern at the federal district court in New York. The suit seeks a declaratory judgment that the Southern is obliged to make guaranteed dividend payments on outstanding Mobile & Ohio stock trust certificates, regardless of the fact that the subsidiary road has been reorganized and is now part of the Gulf, Mobile & Ohio.

The suit counters an action brought by the Southern in the Supreme court of New York, seeking a declaratory judgment that it has no obligation to make payment on the certificates. This action followed a notification of holders of stock trust certificates that no more dividends would be paid until determination by the courts of the Southern's liability, which was reviewed in the *Railway Age* of October 5, page 495.

SOUTHERN-CENTRAL OF GEORGIA.—Abandonment and Acquisition.—Division 4 of the Interstate Commerce Commission has denied the Southern authority to abandon its line extending from Cochran, Ga., in a general southwesterly direction to Hawkinsville, 10.3 miles, and has also denied authority to the Wrightsville & Tennille, which is controlled by the Central of Georgia, to acquire the line to be abandoned by the Southern. At the same time Division 4 authorized the Wrightsville & Tennille to abandon its line extending from Southwest Junction, Ga., to Eastman, 28.5 miles. The commission found that the continued operation of the Southern's branch would not impose an undue burden on the carrier or on interstate commerce.

WINCHESTER & WESTERN.—Purchase of the Winchester & Wardsville.—This company has asked the Interstate Commerce Commission for authority to acquire and operate the property of the Winchester & Wardsville.

Dividends Declared

Western Maryland.—7 Per Cent Preferred, \$7, payable November 15 to holders of record October 31.

Average Prices of Stocks and Bonds

	Oct. 15	Last week	Last year
Average price of 20 representative railway stocks..	29.99	29.89	35.46
Average price of 20 representative railway bonds..	60.14	60.29	60.51

Railway Officers

EXECUTIVE

James E. Duffy, Jr., secretary and general attorney of the Port Huron & Detroit, with headquarters at Port Huron, Mich., has been elected vice-president, with the same headquarters.

A. C. Shields, who has been elected president and general manager of the Pittsburg & Shawmut at Kittanning, Pa., as reported in the *Railway Age* of October 5, was born at Eldon, Iowa, and at-



A. C. Shields

tended Iowa State College, Ames, Iowa. He entered railroad service with the Chicago, Rock Island & Pacific and served in various positions in the engineering and operating departments until 1923. He then served until 1930 as engineer maintenance of way, assistant general manager and general manager of the Denver & Rio Grande Western. From 1930 to 1937 Mr. Shields was vice-president and general manager of the Denver & Rio Grande Western at Denver, Colo. He was appointed vice-president and general manager of the Pittsburg & Shawmut in April, 1940, serving in this capacity until September 25, when he was elected president and general manager.

Charles J. Lederer, superintendent of transportation of the Railway Express Agency at St. Louis, Mo., has been appointed assistant to vice-president in charge of traffic at New York, succeeding J. M. Shanaphy, who has been appointed air traffic executive. Mr. Lederer, an expressman for 27 years, has been associated with terminal and transportation matters most of that time. After his completion of terminal assignments in Kansas City, Mr. Lederer was transferred to the transportation department in Chicago in 1916. After service in the World War, he returned to Chicago as chief car dispatcher in the terminal superintendent's office. He was later reassigned to the transportation department as supervisor and in July, 1929, became chief clerk of the traffic bureau of

Continued on next left-hand page



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the department. On January 1, 1937, he was appointed superintendent of transportation covering the Western railroads and



Charles J. Lederer

in October of the same year he was placed in charge of supervision on lines east of Chicago. In July, 1939, he was transferred to St. Louis.

OPERATING

George Y. Duffy, assistant general manager of the Port Huron & Detroit, has been advanced to general manager and treasurer, with headquarters as before at Port Huron, Mich., succeeding **A. C. McDannel**, vice-president, general manager and treasurer, who has retired.

J. R. McMillan, assistant superintendent on the Canadian National at Edson, Alta., has been transferred to Edmonton, Alta., succeeding **W. E. Rivers**, deceased, and **E. Lait**, transportation assistant, Vancouver Island, has been promoted to assistant superintendent at Edson, replacing Mr. McMillan. **E. B. Lee**, yardmaster at Jasper, Alta., has been promoted to assistant superintendent, with headquarters at Kamloops, B. C., a newly created position.

John R. Marra, superintendent of the Buffalo-Erie division of the Railway Express Agency at Buffalo, N. Y., has been appointed superintendent of organization at New York, and will also assume chairmanship of the Standard Practices Committee. **James P. Downey**, superintendent of the Susquehanna division at Scranton, Pa., has been transferred to the Buffalo-Erie division, succeeding Mr. Marra. **Roy L. Kinsman**, general agent at Baltimore, Md., succeeds Mr. Downey as superintendent of the Susquehanna division at Scranton.

Lowry Smith, whose promotion to assistant to the operating vice-president of the Northern Pacific, with headquarters at St. Paul, Minn., was announced in the *Railway Age* of October 12, was born at Shelbyville, Ky., on September 4, 1884, and studied engineering for three years at the University of Kentucky. He first entered railway service during a summer vacation from school on the Illinois Central in 1901. In 1907, he returned to railway service as assistant superintendent of timber preservation on the Northern Pacific at Brainerd, Minn., later being promoted

to superintendent of timber preservation, with the same headquarters. In 1917, he was promoted to assistant district engineer, with headquarters at St. Paul, Minn., and in 1925 he was advanced to office engineer. His promotion to assistant to the operating vice-president was effective October 10.

G. J. Mulick, assistant superintendent on the Union Pacific, with headquarters at Omaha, Neb., has been transferred to North Platte, Neb., succeeding **A. E. Stoddard**, who has been transferred to Laramie, Wyo. **H. E. Shumway**, assistant superintendent, with headquarters at Grand Island, Neb., has been transferred to Omaha, replacing Mr. Mulick. **E. H. Bailey**, trainmaster at Laramie, has been transferred to Grand Island, and **E. P. Conry**, general yardmaster at Omaha, has been promoted to terminal trainmaster in charge of the terminals at Omaha and Council Bluffs, Iowa.

V. W. Shives, division supervisor of the Railway Express Agency, has been appointed superintendent of the Pamlico-Cape Fear division, with headquarters at Norfolk, Va., succeeding **Robert Henry**



V. W. Shives

May, deceased. Mr. Shives has been an expressman for 27 years, starting as a clerk in the express office at Paw Paw, W. Va. Two years later he became agent at Potomac, Md., and later he became assistant chief clerk at Washington, D. C. For 20 years Mr. Shives served successively as chief clerk to agent; then to superintendent. He was paymaster and statistician for nearly five years, inspector of service, traveling traffic agent, traffic agent and then agent at Washington. He became division supervisor at Norfolk in January, 1937.

R. H. McGinnes, superintendent of transportation of the eastern departments of the Railway Express Agency at New York, has been transferred to St. Louis, succeeding **Charles J. Lederer**, whose appointment as assistant to vice-president in charge of traffic at New York is noted elsewhere in these columns. **John R. Norway**, superintendent of transportation at Philadelphia, Pa., has been transferred to New York to succeed Mr. McGinnes. **J. W. Cauley**, special representative in the office of assistant to vice-president in charge of traffic at New York, has been

appointed superintendent of transportation at Philadelphia, succeeding Mr. Norway.

G. Y. Reed, superintendent of the Southern Texas division of the Railway Express Agency, Inc., with headquarters at Houston, Tex., has been promoted to superintendent of organization, Western departments, with headquarters at San Francisco, Cal., and **E. R. Taft**, superintendent of the Western Texas division, with headquarters at San Antonio, Tex., has been transferred to the Southern Texas division at Houston, succeeding Mr. Reed. **J. P. Foster**, general agent at Denver, Colo., has been promoted to superintendent of the Western Texas division, with headquarters at San Antonio, replacing Mr. Taft.

TRAFFIC

J. V. Maxwell, commercial agent for the Chicago, Burlington & Quincy at Detroit, Mich., has been promoted to general agent, freight department, at St. Louis, Mo., succeeding **W. Heuerman**, who retired on October 1.

George R. Fairhead, assistant freight traffic manager of the Canadian National, with headquarters at Montreal, Que., has been appointed general freight traffic manager at Montreal, succeeding the late **R. J. Foreman**. **John Pullen**, freight traffic manager, has been appointed assistant general freight traffic manager, with headquarters as before at Montreal. **F. P. Nelson**, assistant freight traffic manager, has been appointed freight traffic manager, Central region, with headquarters as before at Toronto, Ont. A photograph of Mr. Nelson and a biographical sketch of his railroad career were published in the *Railway Age* of May 11, in connection with his appointment as assistant freight traffic manager.

Ona Ray Smith, whose promotion to general freight agent on the St. Louis Southwestern, with headquarters at Tyler, Tex., was announced in the *Railway Age* of October 12, was born at Greenwood, Ark., on January 21, 1899, and attended the Tyler Commercial College. He en-



Ona Ray Smith

tered railway service on February 8, 1917, as a stenographer in the passenger traffic department at Tyler and later served in various clerical and secretarial positions,

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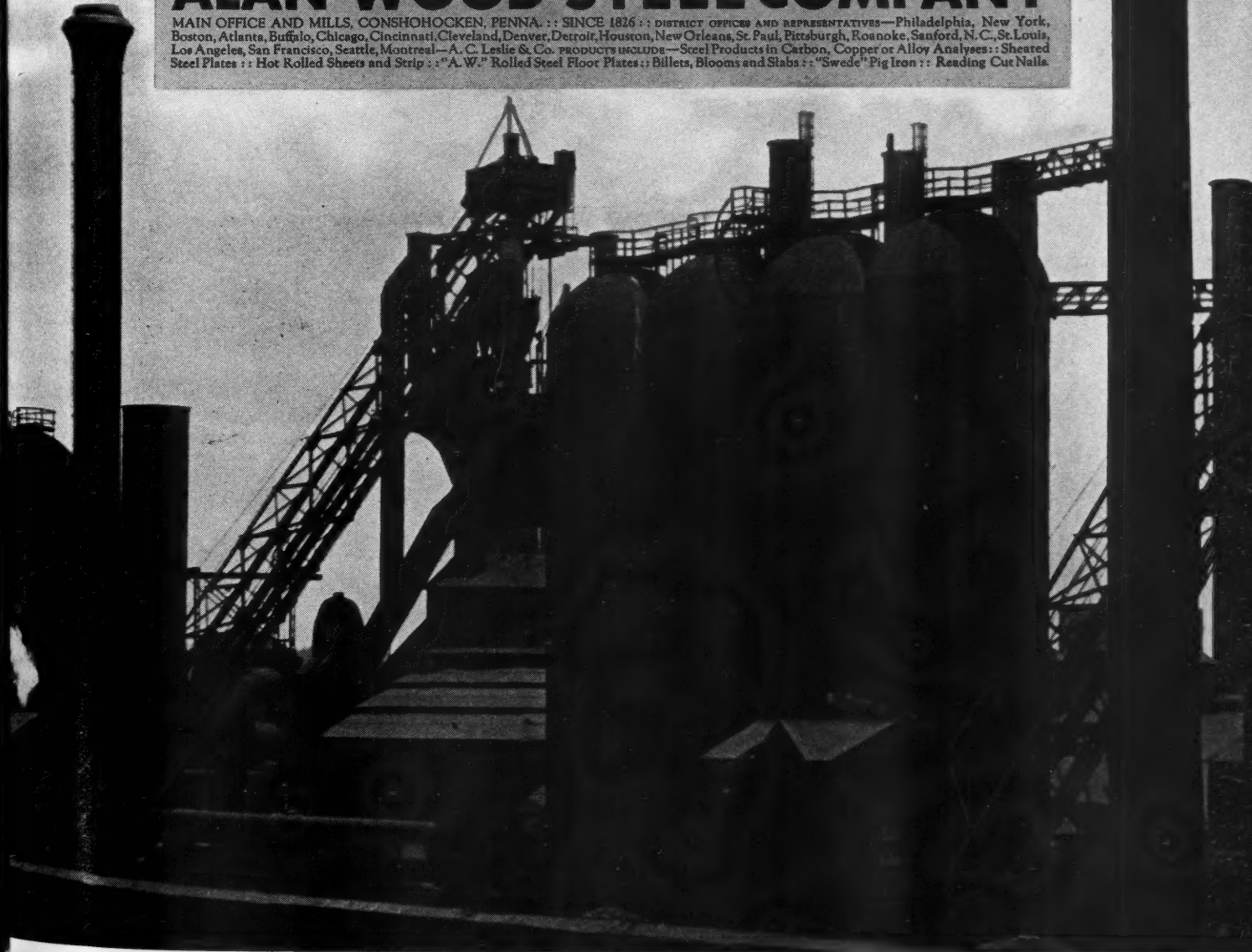
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being promoted to chief clerk-solicitation on November 1, 1928. On September 1, 1932, Mr. Smith was advanced to assistant to the general freight agent and on March 16, 1936, he was promoted to assistant general freight agent, the position he held until his recent promotion, which was effective October 1.

R. J. Turner, Jr., city freight agent on the Illinois Central at New Orleans, La., has been promoted to general agent at Baton Rouge, La., a newly created position. **P. H. Roach**, district traffic agent at Baton Rouge, has been appointed commercial agent at New Orleans, La.

Charles Lee Lyons, assistant freight traffic manager on the Missouri-Kansas-Texas, with headquarters at Kansas City, Mo., retired on October 1. Mr. Lyons was born at Bedford, Ind., on July 28, 1870, and entered railway service in 1888 with the Missouri-Kansas-Texas as a caller at Sedalia, Mo., later becoming a car carder, yard clerk and a clerk in the auditor's office at that point. In 1889, he was promoted to claim clerk and in 1894 he was advanced to chief claim clerk, with headquarters at St. Louis, Mo. Four years later, Mr. Lyons was appointed contracting freight agent at Kansas City, and in 1901 he was appointed traveling freight agent at that point. In 1908, he was appointed commercial agent at Joplin, Mo., and two years later he was transferred to St. Louis. In 1914, he was advanced to assistant general freight agent and in 1920 he was transferred to Kansas City. Mr. Lyons was appointed executive general agent at Kansas City in 1929, and in July, 1931, he was appointed general perishable traffic representative. In May, 1932, he was advanced to general freight agent, and in January, 1937, to assistant freight traffic manager.

James W. Hill, general traffic manager of the Denver & Rio Grande Western, with headquarters at Denver, Colo., has been appointed, effective October 16, freight traffic manager of the Chicago, Rock Island

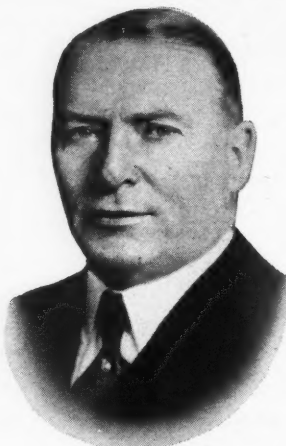


James W. Hill

& Pacific, with headquarters at Chicago, succeeding **Arthur Mackenzie**, who will continue as general advisor on traffic managers until December 1, at which time he will retire.

Mr. Hill was born at Orient, Iowa, on January 22, 1895, and entered railway serv-

ice in May, 1910, as a station clerk on the Chicago, Rock Island & Pacific at Moline, Ill. During the next seven years, he served in this position and as telegraph operator and agent at various points. He then enlisted in the signal corps of the U. S. Army and remained in the service until July 1, 1919. After his discharge from the army he returned to the Rock Island as agent at the shops at Silvis, Ill., being



Arthur Mackenzie

transferred to the Eighty-third street freight house at Chicago on October 1, 1919. In April, 1920, Mr. Hill was sent to Detroit, Mich., as traveling freight agent, being advanced to assistant general agent at that point in the following month, and on July 1, 1923, he was promoted to general agent at Detroit. He was advanced to general freight agent, with headquarters at Chicago, on June 1, 1936, and on February 1, 1937, he was further advanced to assistant freight traffic manager. In July, 1939, Mr. Hill was appointed general traffic manager of the Denver & Rio Grande Western, the position he held until his recent appointment.

Mr. Mackenzie was born in Leeds, England, on October 28, 1869, and entered railway service in 1888 as a clerk in the general freight department of the Grand Trunk (now part of the Canadian National); at Toronto, Ont. He later served in various clerical capacities on the Michigan Central, the Atchison, Topeka & Santa Fe, the Cleveland, Cincinnati, Chicago & St. Louis (Big Four), the Lehigh Valley, the St. Louis-San Francisco, the Iowa Central (now part of the Minneapolis & St. Louis), and again with the Santa Fe, serving on that road as claim clerk, chief rate clerk, assistant chief clerk and chief clerk to the freight traffic manager at Chicago. In 1909, he went with the Rock Island as chief clerk to the first vice-president, and in 1915 he was promoted to assistant freight traffic manager. Mr. Mackenzie was advanced to freight traffic manager in 1926, and a year later he was elected vice-president and freight traffic manager. He has continued as freight traffic manager since December, 1933.

ENGINEERING AND SIGNALING

N. W. McCallum, division engineer on the New York Central, with headquarters at New York, has been appointed assistant chief engineer of the Pittsburgh & Lake

Erie, with headquarters at Pittsburgh, Pa., to succeed **George H. Burnette**, whose appointment as president of the Cambria & Indiana was announced in the *Railway Age* of August 10.

R. R. Brockway has been appointed assistant bridge engineer of the Northern Pacific, a newly created position, with headquarters at St. Paul, Minn., and **L. B. Curtiss** has been appointed architect, with headquarters at St. Paul, succeeding **O. M. Rognan**, who has been relieved because of poor health, but will continue to act in an advisory capacity.

MECHANICAL

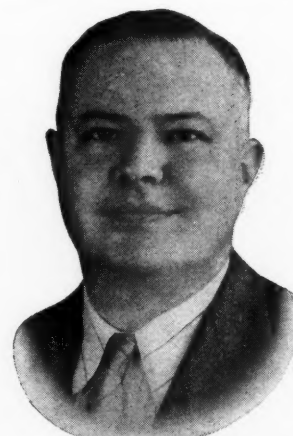
M. M. Kelly has been appointed superintendent of motive power and equipment of the Litchfield & Madison, with headquarters at Edwardsville, Ill., succeeding **N. T. Colgate**.

R. W. Retterer, mechanical engineer on the Cleveland, Cincinnati, Chicago & St. Louis, has been appointed assistant superintendent of equipment, with headquarters as before at Indianapolis, Ind., succeeding **F. K. Mitchell**, promoted.

C. F. Deno, division master mechanic on the Canadian Pacific at Regina, Sask., has been transferred to Winnipeg, Man., succeeding **Donald M. Smith**, who in turn has been transferred to Regina, Sask., replacing Mr. Deno. **L. Lenoski**, general locomotive foreman at Winnipeg, has been promoted to division master mechanic at Calgary, Alta., relieving **W. D. Dickie**, who has been appointed supervisor of machinery on war contracts, motive power and rolling stock department, with headquarters at Montreal, Que.

SPECIAL

Matt W. Connelly, whose promotion to publicity director of the Kansas City Southern and the Louisiana & Arkansas, with headquarters at Shreveport, La., was announced in the *Railway Age* of August



Matt W. Connelly

10, attended the University of Tennessee and studied journalism at Centenary College (Shreveport). He entered railway service with the Illinois Central in the local freight office at Memphis, Tenn., and two years later went with the Memphis Union Station Company. The following



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year he went with the Norfolk & Western as soliciting freight agent at Memphis and later served as a rodman and instrumentman with the St. Louis-San Francisco at Fort Smith, Ark., and soliciting freight and passenger agent for that road at Memphis. Mr. Connelly was then appointed chief clerk to the traffic manager at Tulsa, Okla. In 1936, he went with the Louisiana & Arkansas as secretary and chief clerk to the superintendent at Shreveport, the position he held until his recent promotion. In addition to his railroad work, Mr. Connelly has also been active in editorial and journalistic work, serving at one time as editor of the Southern Art Journal and at present as associate editor of the Louisiana Police Jury Review.

• **A. W. Stephenson**, division superintendent of Western Air Express, has been appointed supervisor of operations of Seaboard Airways, Inc., Norfolk, Va.

OBITUARY

William F. Dickinson, general solicitor of the Chicago, Rock Island & Pacific, with headquarters at Chicago, whose death on October 8 at St. Luke's hospital, Chicago, was announced in the *Railway Age* of October 12, was born near Rockford, Ill., on November 25, 1875, and graduated in law from the University of Wisconsin in 1903. From 1903 to 1907, Mr. Dickinson engaged in the general practice of law in Chicago and in the latter year entered railway service as assistant commerce counsel for the Rock Island. In 1909, he was promoted to eastern attorney and the following year to general attorney. During the war time period of the Federal Railroad Administration he served as general counsel for the Western Freight Traffic committee, returning to the Rock Island in 1920 as general solicitor, with headquarters at Chicago, the position he held until

his death. Mr. Dickinson was the author of several books on legal subjects, including a digest of decisions under the Interstate Commerce Act.

Robert Henry May, superintendent of the Pamlico-Cape Fear division of the Railway Express Agency at Norfolk, Va., who died on August 26, has served in the express business for over half a century. Starting in Augusta, Ga., as a clerk, he became route agent and was appointed agent at Jacksonville, Fla., in July, 1913. Late in 1917 he became general agent at Atlanta and in July, 1919, he became superintendent at Macon, Ga. In May, 1921, he was assigned to Wilmington, N. C., to take over direction of the Cape Fear division, and in August, 1929, went to Norfolk, Va. In October, 1932, he became superintendent of the Pamlico-Cape Fear division, the position he held until his death.

Operating Revenues and Operating Expenses of Class I Steam Railways

Compiled from 133 Monthly Reports of Revenues and Expenses Representing 137 Class I Steam Railways

(Switching and Terminal Companies Not Included)

FOR THE MONTH OF AUGUST, 1940 AND 1939

Item	United States		Eastern District		Southern District		Western District	
	1940	1939	1940	1939	1940	1939	1940	1939
Miles of road operated at close of month	232,773	233,379	57,352	57,536	44,307	44,427	131,114	131,416
Revenues:								
Freight	\$310,644,788	\$276,707,990	\$129,750,877	\$109,550,413	\$59,738,705	\$55,051,428	\$121,155,206	\$112,106,149
Passenger	40,974,210	39,820,456	21,567,513	22,012,821	4,767,239	4,127,299	14,639,458	13,680,336
Mail	7,932,401	7,748,573	3,104,646	3,010,294	1,308,396	1,284,589	3,519,359	3,453,690
Express	4,457,516	4,178,230	1,955,592	1,835,488	657,245	517,721	1,844,679	1,825,021
All other operating revenues	17,417,867	15,944,313	8,396,587	7,469,513	1,984,595	1,724,944	7,036,685	6,749,856
Railway operating revenues	381,426,782	344,399,562	164,775,215	143,878,529	68,456,180	62,705,981	148,195,387	137,815,052
Expenses:								
Maintenance of way and structures	48,495,425	43,862,401	18,780,658	16,120,292	8,722,493	7,355,519	20,992,274	20,386,590
Maintenance of equipment	70,521,137	63,192,294	31,873,777	27,171,934	13,626,271	12,559,231	25,021,089	23,461,129
Traffic	8,822,215	8,918,828	3,205,695	3,251,607	1,660,532	1,656,296	3,955,988	4,010,925
Transportation—Rail line	125,334,790	117,552,957	56,861,858	52,119,783	20,511,127	19,142,877	47,961,805	46,290,297
Transportation—Water line	520,937	427,850					520,937	427,850
Miscellaneous operations	3,490,284	3,507,596	1,487,973	1,446,281	341,323	314,228	1,660,988	1,747,087
General	10,760,365	10,620,105	4,200,914	4,194,137	2,126,714	2,032,058	4,432,737	4,393,910
Transportation for investment—Cr.	440,480	460,404	76,946	68,041	59,340	58,083	304,194	334,280
Railway operating expenses	267,504,673	247,621,627	116,333,929	104,235,993	46,929,120	43,002,126	104,241,624	100,383,508
Net revenue from railway operations	113,922,109	96,777,935	48,441,286	39,642,536	21,527,060	19,703,855	43,953,763	37,431,544
Railway tax accruals	36,982,166	31,202,663	15,779,725	13,193,706	8,298,347	6,360,490	12,904,094	11,648,467
Railway operating income	76,939,943	65,575,272	32,661,561	26,448,830	13,228,713	13,343,365	31,049,669	25,783,077
Equipment rents—Dr. balance	7,876,268	7,993,852	3,830,223	3,823,943	306,183	395,372	4,352,228	4,565,281
Joint facility rent—Dr. balance	3,048,877	3,014,064	1,811,318	1,668,003	312,450	280,868	925,109	1,065,193
Net railway operating income	66,014,798	54,567,356	27,020,020	20,956,884	13,222,446	13,457,869	25,772,332	20,152,603
Ratio of expenses to revenues (per cent)	70.1	71.9	70.6	72.4	68.6	68.6	70.3	72.8
Depreciation included in operating expenses	17,256,062	16,873,947	7,533,022	7,425,900	3,459,662	3,324,917	6,263,378	6,123,130
Pay roll taxes	10,117,615	9,887,655	4,387,454	3,804,610	1,758,184	1,553,274	3,971,977	3,629,771
All other taxes	26,864,551	22,215,008	11,392,271	9,389,096	6,540,163	4,807,216	8,932,117	8,018,696

FOR EIGHT MONTHS ENDED WITH AUGUST, 1940 AND 1939

Item	United States		Eastern District		Southern District		Western District	
	1940	1939	1940	1939	1940	1939	1940	1939
Miles of road operated at close of month*	232,869	233,552	57,383	57,592	44,315	44,478	131,171	131,482
Revenues:								
Freight	\$2,249,300,422	\$1,994,886,311	\$958,545,832	\$816,405,479	\$459,421,640	\$401,368,429	\$831,332,950	\$777,112,403
Passenger	275,625,317	279,298,133	148,466,522	154,227,278	40,492,256	36,806,023	86,666,539	88,264,832
Mail	64,560,944	63,442,317	24,720,364	24,346,986	11,060,967	10,961,953	28,779,613	28,133,378
Express	34,207,870	34,678,062	14,134,984	13,697,329	6,852,164	7,643,137	13,220,722	13,337,596
All other operating revenues	119,557,269	108,657,147	58,861,905	52,800,485	15,056,733	13,482,547	45,638,631	42,374,115
Railway operating revenues	2,743,251,822	2,480,961,970	1,204,729,607	1,061,477,557	532,883,760	470,262,089	1,005,638,455	949,222,324
Expenses:								
Maintenance of way and structures	328,075,414	306,362,282	126,152,324	113,935,770	61,413,690	54,529,352	140,509,400	137,897,160
Maintenance of equipment	536,947,940	490,458,387	240,118,279	210,591,213	106,492,302	94,771,559	190,337,359	185,095,615
Traffic	72,123,411	70,773,054	26,070,037	25,544,593	13,828,010	13,306,439	32,225,364	31,922,022
Transportation—Rail line	975,104,627	911,705,231	447,455,800	408,845,960	167,433,294	153,888,821	360,215,533	348,970,450
Transportation—Water line	4,343,223	3,225,418					4,343,223	3,225,418
Miscellaneous operations	25,813,158	25,010,035	11,265,949	10,638,225	3,694,269	3,170,651	10,852,940	11,201,159
General	87,333,670	85,418,774	34,927,038	33,966,868	16,859,629	16,222,896	35,547,003	35,229,010
Transportation for investment—Cr.	2,751,664	2,625,300	465,721	313,575	490,581	441,158	1,795,362	1,870,567
Railway operating expenses	2,026,989,779	1,890,327,881	885,523,706	803,209,054	369,230,613	335,448,560	772,235,460	751,670,267
Net revenue from railway operations	716,262,043	590,634,089	319,205,901	258,268,503	163,653,147	134,813,529	233,402,995	197,552,057
Railway tax accruals	263,416,977	233,340,428	113,169,707	99,748,844	58,667,247	47,184,363	91,580,023	86,407,221
Railway operating income	452,845,066	357,293,661	206,036,194	158,519,659	104,985,900	87,629,166	141,822,972	111,144,836
Equipment rents—Dr. balance	64,455,225	64,395,690	31,144,258	28,236,121	2,552,998	4,108,165	30,757,969	32,051,404
Joint facility rent—Dr. balance	22,132,014	23,710,785	12,343,056	12,862,527	2,232,897	2,623,139	7,556,061	8,225,119
Net railway operating income	366,257,827	269,187,186	162,548,880	117,421,011	100,200,005	80,897,862	103,508,942	70,868,313
Ratio of expenses to revenues (per cent)	73.9	76.2	73.5	75.7	69.3	71.3	76.8	79.2
Depreciation included in operating expenses	136,502,523	134,617,361	59,290,991	58,917,632	27,558,257	26,605,737	49,653,275	49,093,972
Pay roll taxes	76,372,634	68,414,789	33,481,133	29,174,914	13,731,886	12,061,377	29,159,615	27,178,498
All other taxes	187,044,343	164,925,639	79,688,574	70,573,930	44,935,361	35,122,986	62,420,408	59,228,723

* Represents an average of the mileage reported at the close of each month within the period.

† Decrease, deficit or other reverse items.

Compiled by the Bureau of Statistics, Interstate Commerce Commission. Subject to revision.